

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, June 23, 2020

A G E N D A

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.

Time: KPUD Commission Meeting Start Time - 2:00 p.m. as Advertised

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

➤ **PLEDGE OF ALLEGIANCE**

➤ Approval of Minutes - 06/09/2020 Meeting

➤ Approval of Claims / Vouchers for period ending 06/23/2020 (*Cynthia Bruce*)

➤ Approval of Payroll for period ending 06/07/2020 (*Cynthia Bruce*)

➤ **PUBLIC COMMENT PERIOD**

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

A. Moss Adams 2019 Financial Audit Update (*Jim Moss*)

REPORTS - 10 min. each:

- Water/Wastewater May update (*Sharon Blodgett*)
- Operations May update (*Mark Pritchard*)
- Engineering May update (*Ron Schultz*)
- May Financial Report (*Mike DeMott*)
- Commissioners' Reports
- Assistant General Manager Operational Report (*Gwyn Miller*)
- Manager's Bi-Monthly Report (*Jim Smith*)
(*see attached report*)

GUESTS:

- Keith Simovic - Moss Adams

AGENDA ITEMS CONTINUED -

B. Water/Wastewater General Facilities Charges, Connection Fee, and supporting Policies 1st Draft Proposal Review - (*Sharon Blodgett, Russ Patton, and Jim Smith*)

C. Professional Services Approval (*Ron Schultz*)

D. Prequalification of Contractors - (*Mark Pritchard*)

E. 2020 Budget Forecast Review - (*Mike DeMott*)

F. Letter of Credit Waivers - Lewis County and Cowlitz County PUDs (*Mike DeMott*)

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

WPUDA 2020 Water Committee Quarterly Meeting June 25 (*via Zoom*)

WPUDA 2020 July Association meeting July 15-17 (*via Zoom*)



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the **June 23, 2020 Meeting**

AGENDA ITEMS:

- A. Moss Adams 2019 Financial Audit Update - Jim Moss and Keith Simovic will present the 2019 financial update to the board outlining Moss Adams audit procedures and determinations. We ask that this agenda item be addressed after vouchers are reviewed for approval.
- B. Water/Wastewater General Facilities Charges, Connection Fee, and supporting Policies 1st Draft Proposal Review - Sharon Blodgett, Russ Patton and I have reviewed the impacts of this proposal with accounting and customer service. We feel that this proposal will meet the systems needs for the future. Staff is asking that the board review the proposal and provide feedback to staff before moving forward. This will be a review only, we are not asking for Board action at this time.
- C. Professional Services Approval - We have received updated requests for the Professional services roster. We are asking that the board approve the renewal of The Warren Group. We are proposing to keep The Warren group engaged in Lobbying services during the next legislative session as well as on fire mitigation efforts. We are also asking to add Burns and McDonnell for the 2020 roster period.
- D. Prequalification of Contractors - Mark Pritchard is asking for approval of Tegart Enterprises of White Salmon. They have submitted all of the required documentation to qualify for the 2020 Works roster.
- E. 2020 Forecast Review - Mike DeMott will present our 2020 mid-year forecast update.
- F. Letter of Credit Continuation Waiver for Lewis County and Cowlitz County PUD's - Mike DeMott is asking that we continue to approve the waiver of Letter of Credit for Lewis County PUD and Cowlitz County PUD for the 2020 year. We evaluate their financial status on an annual basis to make this determination and we feel that they continue to qualify for this waiver.

NON-AGENDA ITEMS:

1. **Renewable Natural Gas (RNG) Well Field Optimization** - We have strategic plans to increase output from the RNG facility. I am confident that the team will get our reliability to the 95% reliability targets we have set, which is our second major focus area after building the plant. The third step is a focus on methane recovery from the field. These steps aren't really as sequential as it may sound. The steps do overlap; however, our focus will change as we move along. Jonah Humphries is working with our contractor and Republic on connecting piping to the new wells this week and next and is hoping to start flowing gas from them the end of next week. In addition, we have assigned Phillip McMillen, our GIS specialist, to assist Jonah in mapping the well field. The project is to build better tools to help us with tuning the methane well field. I am hopeful the tools will also guide us in future new well projects that increase well density and increase methane flow. The fourth focus area is assisting Republic in increasing the solid waste collection at the Roosevelt landfill.
2. **Fuel Cell project** - Dave Warren has been working with Toyota with their fuel cell expansion in the Pacific Northwest. Mike and I talked with a couple of Toyota fuel cell strategic contacts this week and it looks to us like there may be alignment in our visions of the role of hydrogen and fuel cells in the future. We will be signing an NDA to explore if we can work towards goals that benefit both of us. We can talk more about that at the meeting.
3. **WPUDA Letter to Governor** - Doug Miller participated in the WPUDA call last week regarding the Governor's extension of proclamations that impact Public Utility Districts. Specifically they were discussing the extension of the moratorium on power shut offs and waivers of the related fees because these proclamations were extended past the end of the State emergency proclamation. The proclamation also provided guidance that PUD customers be referred to the WUTC even though the WUTC has no interaction or authority over PUDs. Doug can touch on the meeting specifics, but I am attaching the final letter that went to the Governor's office. I thought WPUDA did a solid job of summarizing the issues.
4. **Julian Notestine KLCK 1400 Klickitat AM Talk Show** – I participated in Julian's talk show that aired June 16 and will air again on June 26 at 8:05. We had to do it twice as the original recording was destroyed. The second interview was via cell phone, so the quality may not have been good, but Julian was appreciative that we squeezed in the re-recording to meet their schedules. Julian does a good job of bringing up the topics of interest he hears from our various communities and customers.
5. **Performance Reviews** – I am completing performance reviews this month for my direct reports to set up our normal employee performance reviews for the first six months of the year. Managers and supervisors will complete these reviews during July.
6. **Strategic Planning** – we have booked the bistro room at the Maryhill Winery to hold our strategic planning session on August 27. Due to COVID-19 restrictions, we have few options for locations that can meet social distancing requirements and commit to be open to look after our needs.
7. **Klickitat Well #3 Report Summary** – We received the report from Aspect Consulting and it confirmed our concerns about the well. The well is not likely to perform as it did in the past, even after the rehabilitation work we completed. We will continue with our work on exploring alternative water sources for the system. Attached is the summary for your review.

If you wish to see the full report, let me know.

8. **Strategic Meter Modernization Program** - we are planning to present a draft of the business case regarding this system at a July Board meeting. We have \$100,000 in the 2020 budget for the pilot / trial, but we want to discuss long-term implications on budgets and the benefits that this type of system can bring. This will serve us well as background for our strategic session as well. I think you all know I believe that this system could be one of the most strategic upgrades we might do in the coming five-year period. It ties many initiatives together. These include prepaid metering, improved customer access to their usage data, reducing estimated meter reads, improving the outage management system to help us determine fault locations, and would provide data that will support the rate redesign ideas that we have been exploring.