

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
Tuesday, March 26, 2019  
2:00pm

**CALL TO ORDER:** Vice-President Miller called the meeting to order at 2:00 p.m. as advertised.

**PRESENT:** Douglas B. Miller-Vice President, and Randy L. Knowles- Secretary

**STAFF PRESENT:** Jim Smith- General Manager, Gwyn Miller- Director of Human Resources and Business Services, Mike DeMott- Power Manager, Mark Pritchard- Operations Manager, Ron Schultz- Engineering Manager, Kevin Ricks- Renewable Energy Assets Manager, Cynthia Bruce- AP/Accounting Clerk, Eileen Kelsey- Accounting Clerk Trainee, Sharon Blodgett- Water/Wastewater Coordinator, Brandy Myers- Customer Service Supervisor, Beth Schroder- Accountant, Nichole Lantau- Accountant, Mark Garner- Engineering Customer Supervisor and Luann Mata- Executive Assistant.

**GUESTS:** None for the regular session

**PLEDGE:** The Pledge of Allegiance was recited by those present.

**MINUTES:** **MOTION** was made by Commissioner Knowles to approve the March 12, 2019 meeting minutes as presented. Motion carried.

**CLAIMS & PAYROLL:** Presented by Eileen Kelsey. Vouchers were audited and certified by the auditing officer as required by RCW 42.24.080, and all expense reimbursement claims presented were certified as required by RCW 42.24.090 and were recorded on a listing made available to the Board this 26<sup>th</sup> day of March, 2019.

**MOTION** was made by Commissioner Knowles to approve the correct accounts payable vouchers and payroll as presented by staff at the meeting. A printing error occurred with the document that was provided in the Commission packet. The correct documents were presented to the board on 03/26/2019 in the amounts as listed:

- Accounts Payable Voucher Nos. 203574, 203576 through 203690 in the total amount of \$561,204.42 and Wire, ACH Nos. 8801125 through 8801129 in the total amount of \$1,570,837.64, EFT Nos. 15 through 19 in the total amount of \$81,442.69 for the period ending March 26, 2019; and
- Payroll Warrant Nos. 203575 and ACH Direct Deposit Payroll transactions 202233 through 202317 in the total amount of \$189,664.48 for the payroll period ending March 17, 2019.

Motion carried.

**PUBLIC COMMENTS:**

**REPORTS:**

**Water Wastewater Report** – Sharon Blodgett presented the department report for February. The discovery of a large water leak on the customer side of the meter appears to have been the ongoing reason for higher than normal pumping alarms from the Glenwood system's Mission unit, pictures of the damage were presented to the Board. The Mission unit report demonstrated the drop in water pumped 24 hours after staff repaired the water leak.

In the meantime, Mr. Troh contacted the Water Dept., initially concerned that he may have a water leak as he had been experiencing low water pressure. However,

through the course of the conversation he stated he had been experiencing the low pressure for over 1 year and never reported due to him having a PRV that is buried under his porch. This PRV is on his side of the meter thus he assumed the low pressure was his responsibility to deal with. When he further investigated, he found spigots that were not behind his PRV had low in pressure too. He then discovered, through family members who walk past the KPUD blow off hydrant just beyond his property, that there was a steady stream of water coming from this area. Crews were dispatched and discovered the damaged blow off hydrant and water was flowing freely from the broken device. The Valve was shut off and repairs were made. Staff assumed this was damaged by road equipment, possibly during the winter.

**Operations Report** – Mark Pritchard presented the department report for February. We are currently ahead of our outage goal for 2019. Our outage hour totals are 3,533 versus 15,885 this time last year. We will be updating our outage statistics graphs in the near future. White Salmon crews have been trimming trees, Goldendale has been rebuilding overhead lines on the East end of the county, and the Construction crew has been replacing underground on the East end as well as completing preparation work for the MA Collins outage scheduled for March 28<sup>th</sup>. The Tree crew has been removing dead and hazard trees. We have Juan Randall completing vegetation treatment at our substations and Asplundh should be back on the property next week. Brandon is focused on projects that impact our liability and risk. Jim Brokaw and the meter shop group will be obtaining oil samples from regulators and transformers over the next 90 days.

The Safety standards group is actively working on fine tuning processes. They have developed a Pre-construction procedure and checklist. Someone will meet with a contractor and review the information prior to beginning work on our property. We will be assigning employee numbers for radio use. This will be a transition because we currently use truck numbers for reaching staff on the radio. The group is also re-evaluating our accident investigation forms, regulator operational procedures and have redesigned the tailboard job briefing books. The Safety Awards Banquet is scheduled for May 11<sup>th</sup>, at the Goldendale Golf Course.

Ron Schultz and the White Salmon crew attended the SDS Lumber Safety meeting this month. Their information was well received and the crew really appreciated the opportunity to speak with their staff. The crews are very interested in providing education to Fire Departments and schools as well. Mark has been working with our insurance company to obtain a training CD that is designed for Fire Departments. John O'Brien from Cooper Power Systems will be here next month to provide a regulator safety class and will also provide the meter shop with programing and maintenance training.

Mark Garner, Joli Munkers, April Greenlaw and Shelby Manka have been working on the Outage Management System. They will meet this week to determine how we communicate with employees during outages, as well as what information is available for customers to view during outages.

The Purchasing department has been busy ordering or preparing to order the 2019 vehicles. The Mechanic bay addition construction quotes have been received. The quotes are higher than originally anticipated due to steel price increases since the estimate and budgeting process occurred. The Customer Service office upgrade design is in progress.

Mark attended a wildfire coordination meeting in Ellensburg, sponsored by Emergency Management Systems of Washington. It was well attended, with representatives from the Colville Nation, Bureau of Indian Affairs, Federal Emergency Management Agency, Bonneville Power Association, fire chiefs from multiple counties and even some west-side utilities. Representatives from the Department of Natural Resources spoke at the end of the meeting. The conversations were direct, but their statement at the end was that they learned a lot. There was a good discussion with the fire chiefs. They appreciate having utility personnel contacts

available at the onset of a fire and they appreciate the efforts of utilities and crews during the fire-fighting process. Mark also noted that the current fire activity forecast for Eastern Washington is predicted to be high this year and likely to come earlier than usual.

Commissioner Knowles asked for an update on the Snowden voltage questions. Mark stated that staff has reviewed the models and that we have installed voltage recorders to get real time data to evaluate. Given the load growth and the load allocation methods used in system modeling, this service area in our modeling from our long range planning just was not looking right. With the above data, we can correct the models and determine the more cost-effective long-term solutions. We will be installing a few voltage regulators this year.

**Engineering Report** – Ron Schultz presented the department report for February.

BPA has completed a preliminary design to rebuild the Goldendale Substation feed within the EE Clouse Substation location. There are financial discussions to complete before we agree to or finalize the project. There are a few more steps to complete for the BPA Transmission Operator (TOP) contracts. We hope to have this project complete by the first of June, but must have everything operational by August 1<sup>st</sup>. Our largest challenges are EE Clouse and Energizer; they both require the addition of new hardware.

We need to complete our Western Electricity Coordinating Council testing of EE Clouse May 15<sup>th</sup> and 16<sup>th</sup>. This has been coordinated with a scheduled Puget Sound Energy plant maintenance outage, so it will not impact any customers. Harvest Wind and Linden Switchyard will be completed by November and the outage request has been submitted to BPA.

The Metershop is almost complete with the Renewable Natural Gas electrical work. Our Labor and Industries inspector stated that the compliance issues have been addressed.

Mark has been working on the NISC Outage Management program installation and Brandon has been evaluating idle services throughout the system. Staff designed a new mount for the regulators we purchased for the MA Collins Substation.

**COMMISSIONER DAN GUNKEL** – Commissioner Gunkel was absent for this meeting.

**COMMISSIONER DOUGLAS MILLER** - Commissioner Miller did not have a report.

**COMMISSIONER RANDY KNOWLES** – Commissioner Knowles requested that we acknowledge the 17 years of service that Wanita Gordon has contributed to the utility and the community. There will be an Open House Friday March 29<sup>th</sup>, honoring Wanita's retirement.

**GENERAL MANAGER** – The complete report can be found at:

[http://www.klickitatpud.com/topicalMenu/commissioners/GM\\_Reports.aspx](http://www.klickitatpud.com/topicalMenu/commissioners/GM_Reports.aspx)

In addition to the written report, Jim Smith presented the following information:

- Goldendale Energy Storage - National Grid/Rye Energy received notice that the Federal Energy Regulatory Commission approved their request to utilize the Traditional Licensing Process. The first of their Public Hearings are scheduled for May 1<sup>st</sup>. They plan an afternoon and an evening meeting to be held at the Goldendale Grange. Times are yet to be determined.
- Customer Inquiry- At our last meeting Ken Ingebo addressed the Board requesting that their service be considered for the Special Case clause in the

Customer Service Policy for Wastewater Service. As requested, after that meeting Staff completed a thorough review and reported back to the Board with recommendations.

Jim Smith reviewed wastewater rate development and application. That review included efforts and challenges in applying rates consistently. Customer Service Supervisor Brandy Myers also provided input. Jim summarized by stating that the request is simple on the surface, but the requested change in this case would amount to usage rates for any customers who have low occupancy. Given that our rate structure is based on a flat fee for infrastructure, that does not work. He recommended that the request be denied and that Policy 19 be modified to remove the Special Case provision. After further discussion the Board agreed that the request be denied.

Commissioner Knowles also asked staff to evaluate the policy and make the required changes so that we remain consistent with all of our customers and bring the policy back to the Board for review. Jim will follow up with the customer and discuss the outcome.

**AGENDA ITEMS:**

- A. PREQUALIFICATION OF CONTRACTOR: **Motion** was made by Commissioner Knowles to approve the addition of Trenchless Pipe Repairs, LLC and agree to add them to the Small Works Roster for the 2019 period. Motion carried.
- B. POLICY 21- CUSTOMER SERVICE REVIEW: **Motion** was made by Commissioner Knowles to approve the updates to Policy 21 as presented. Motion carried.
- C. ELECTRIC RATE PROPOSAL REVIEW: Jim Smith reviewed the 2019 Operating Budget summary and rate requirements. The revenue requirement, based upon the budget, does not appear to have changed for 2019. He also believes that there are no indications year to date that we will exceed our budget. It has been three years since our last rate increase, we know that there will be a 4% Bonneville rate increase in October and that cost of materials and contractors has increased. As such, Jim recommends that we implement the proposed 1.5% rate increase included in the approved 2019 Operating Budget.
- D. SET HEARING DATE FOR ELECTRIC RATES: **Motion** was made by Commissioner Knowles to set a public hearing for electric rates for Tuesday, April 23, 2019 at 4:00 p.m. Motion carried.

**Adjourned** – There being no further business, the meeting adjourned at 3:35 p.m.

Absent  
Dan G. Gunkel, President

/S/  
Douglas B. Miller, Vice President

/S/  
Randy L. Knowles, Secretary  
Date Approved: April 09, 2019

/s/  
Luann Mata, Executive Assistant