

Public Utility District No. 1 of Klickitat County
Board of Commissioners' Meeting
Tuesday, June 14, 2022

AGENDA

ONE TIME USE – **Regular Meeting** Call in number option: 844-621-3956 (Access Code: 2496 853 0492)
Meetings are now open to the public, attendees will adhere to the published state COVID-19 related guidelines.

We are continuing the use of the public teleconference line in recognition of the extension of the state of emergency's statutory waivers and suspensions pursuant to RCW 43.06.210, until terminated or rescinded, whichever occurs first.

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

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

➤ **PLEDGE OF ALLEGIANCE**

➤ Approval of Minutes - 05/24/2022 Meeting

➤ Approval of Claims/Vouchers for period ending 6/14/2022 (*Isabelle Carroll*)

➤ Approval of Payroll for periods ending 5/22/2022 and 6/05/2022 (*Isabelle Carroll*)

➤ **PUBLIC COMMENT PERIOD**

REPORTS – 10 min. each:

- Renewable Energy Assets update (*Kevin Ricks*)
- SmartHub update (*Brandy/April/Gwyn*)
- Commissioners' Reports
- Assistant General Manager (*Gwyn Miller*)
- Manager's Bi-Monthly Report (*Jim Smith*)
-(see attached report)

GUESTS:

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

- A. Resolution # 1822 Authorizing Automated Metering Infrastructure Implementation
(*Jim Smith / Brandon Johnson*)
- B. Extension Policy Discussion (*Mark Garner / Brandon Johnson*)
 - a. Undergrounding- Extreme fire areas
 - b. Idle Service costs- requires same amount of maintenance without recovery.
- C. Executive Session – Executive Session per RCW 42.30.110(1)(b) for the purpose of discussion of pumped storage project real estate issues.
- D. Goldendale Energy Pumped Storage Water Supply and Asset Purchase Agreements – I may or may not be asking for your authorization to sign these contracts substantially in the form presented.

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

- WPUDA Water Committee Quarterly Meeting June 23
- Tentative Strategic Planning meeting September 14th back to back days, 15th can do, but scheduled outside of Weekly crew scheduling.
- Energy Northwest Annual update



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the June 14, 2022 Meeting

AGENDA ITEMS:

- A. Resolution # 1822 Authorizing Automated Metering Infrastructure Implementation – we will be discussing this resolution for your consideration.
- B. Line Extension Policy Discussion – Mark Garner and Brandon Johnson will be presenting ideas on requiring undergrounding for new lines and services in extreme fire danger areas, as well as discussing idle services.
- C. Executive Session – Executive Session per RCW 42.30.110(1)(b) real estate for the purposes of discussion of the proposed pumped storage water supply agreement, as well as discussion regarding water reservation requests.
- D. Goldendale Energy Water Supply Agreements – based on discussions during executive session, I may or may not be asking for your authorization to sign these contracts substantially in the form presented.

NON-AGENDA ITEMS:

- 1. Combustion Turbine Equipment - during the April 26th Commission meeting, staff presented their report on potential overhaul of the combustion turbine project for use in providing electrical capacity or other services. Due to increasing risk associated with carbon liability, small size and high heat rate of the units, staff recommended to not overhaul the turbines at this time.

Commissioners directed staff to investigate the potential surplus and sale of the units to recover some of the invested funds. Kevin has identified two interested parties that would bid on portions of the project ranging from just the turbine cores, to both turbine packages and both boilers and is working with Jeff on how we would do this. Both bidders declined to reveal what they'd be willing to pay. Staff is seeking permission to prepare a package to surplus idled equipment associated with the CT project.

2. Goldendale Energy Pumped Storage Project EIS Release – the draft EIS statement has been issued and is out for comment until July 25th. There is an in person open house June 28th at the Goldendale Grange Hall, and on-line open houses on June 23rd and June 30th. There is also an online open house document available through the Department of Ecology Website. I am planning on attending the in person session and would like to know if you may be attending or attending one of the virtual sessions.
3. Goldendale Energy Pumped Storage Water Supply and Asset Purchase Agreements – we will have a short executive session to discuss these. Based on those discussions, I may ask you to authorize me to sign these agreements substantially in the form discussed. We are working with our last draft as we have discussed in previous meetings.
4. BPA Post 2028 and PPC – the two major issues are Tier I system allocation and BPA system augmentation. Augmentation could be Tier I or Tier II. There are other issues, but these are the fundamental ones. There are utilities that have lost significant load, either through closure of a large customer or general load reduction, and there are utilities like ourselves, who are growing. Those that have experienced declines in their load want to keep their “headroom” to allow for return of those customers, or provide for supply to expected load growth due to legislative support for electrification. Those of us that have seen load growth want access to that headroom to provide for our customers.

PPC is likely engaging a facilitator to assist with ensuring that there are robust discussions and to see if there are positions that PPC members as a group, will support. There are some larger utilities that have said that they will go directly to BPA with their positions if they do not get what they want. I would like to discuss and gauge your relative positions on these issues as those discussions progress.

5. Strategic Planning September 14 or 15 – Therese Hampton has agreed to work with us again on this year’s strategic plan review. I am thinking this is would be a 9 – 3 session and I am asking what day would work best. It is a commission meeting day on the 13th.
6. PUD Elections in Washington State – attached is the PUD Commissioner election summary from WPUA.
7. Willamette River De-authorization of Commercial Power Production Status – Public Power with PPC as our representative have been pursuing the de-authorization of power production on the Willamette projects for years. The issue is that, unlike the lower Snake River dams that offer significant power production value to the region via BPA, these facilities require very large capital investment to maintain power production and the resulting power production is just not economic. BPA has already decided to suspend all further capital investments at these facilities. This de-authorization would mean that BPA and its customers would no longer be paying for the costs of these facilities which I understand will remain in place for flood and irrigation reasons. The attached is a letter of support that steps continue towards de-authorization.