

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, August 11, 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 - 7/28/2020 Meeting

➤ Approval of Claims/Vouchers for period ending 8/11/2020 *(Cynthia Bruce)*

➤ Approval of Payroll for period ending 8/02/2020 *(Cynthia Bruce)*

➤ **PUBLIC COMMENT PERIOD**

REPORTS - 10 min. each:

- Renewable Energy Asset update *(Kevin Ricks)*
- Power and Finance Report *(Mike DeMott)*
- Commissioners' Reports
- Assistant General Manager Operational Report *(Gwyn Miller)*
- Manager's Bi-Monthly Report *(Jim Smith)*
(see attached report)

GUESTS:

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

- A. Call For Bid - RNG Fall Outage Project *(Kevin Ricks)*
- B. Resolution 1792 - Authorizing Direct Negotiations for NRU Heat Exchanger *(Kevin Ricks)*
- C. Senior Discount Program Income Adjustment *(Brandy Myers)*
- D. Small Business COVID-19 Relief Program Discussion *(Brandy Myers)*

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

KPUD Strategic Planning Session - August 27, 9 a.m. to 2 p.m.- Goldendale Main Office meeting room

Note: Agenda is subject to last-minute revisions, which may include the board calling for an executive session.



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD

For the **August 11, 2020 Meeting**

AGENDA ITEMS:

- A. Call for Bid - RNG Fall Improvements - The H.W. Hill RNG Project was placed into commercial operation on November 2, 2018. As a continuation of that project, there are a number of modifications planned to improve reliability and maximize capacity of the facility.
- B. Resolution No. 1792 - Authorizing Direct Negotiations for NRU Heat Exchangers – Staff sent out Call for Bids for the NRU Heat Exchangers. No bids were received on this project. Therefore, staff is requesting that the board approve Resolution 1792 authorizing direct negotiations for the NRU Heat Exchangers.
- C. Senior Discount Income Adjustment - This program has been in effect since 1979. Income thresholds were increased by ~6% in 2019 to align with FY2019 poverty guidelines. The objective is to reach eligible customers and provide assistance during cold weather months. We did not meet our budgeted relief amount so we propose increasing the income thresholds to align with the FY2020 poverty guidelines. Staff would also like to evaluate extending the discount to year-round.
- D. Small Business COVID-19 Program Discussions - Through July, KPUD had 109 enrolled businesses and has extended discounts in the amount of \$28,347. There is minimal growth of new applicants. July's discounts were the highest so far at \$14,598. That being said, in August nearly 40% of those enrolled will be removed for reaching 3-consecutive months of benefit. Twelve businesses have reached the \$600 limit and have been removed from the program. Staff will be requesting guidance on the program.

NON-AGENDA ITEMS:

- 1. **I will be away Monday through Wednesday of the board meeting week and will not be at the August 11, 2020 commission meeting.**
- 2. **COVID-19 Update** – Gwyn and key staff continue to spend considerable time staying on top of the changes and we continue to revise our response with respect to the various proclamations and compliance obligations. As always, the overall safety of our employees is

paramount and that includes more than just coronavirus related issues. Our plans are to ensure that we maintain the ability to provide our services sustainably, especially as the cold and flu season will be here soon. We want time to practice our habits and adjust anything we need to prior to this season. Gwyn will be talking about the continuing changes we are implementing in her report. Her work in supporting our utility in this area has been as outstanding as it has been challenging.

3. **Strategic Planning** – With changing restrictions, the proposed site at Maryhill is no longer an option. We are planning on still holding the session on Thursday, August 27, but it will be in our large meeting room. We are discussing the logistics and we will keep you posted.
4. **Surplus Auction** – The items will be advertised on the Washington State Public Auction website starting August 7, 2020. The website address is <http://www.publicsurplus.com>. Follow the instructions on the website to obtain bidder information. All items can be picked up at KPUD’s warehouse once the auction has finished. Call Robbie at 773-7619 if you have questions.
5. **WPUDA Election Results** – Attached are the election results as compiled by WPUDA.



2020 PUD Preliminary
Primary Election Resu

6. **Republic Services Landfill Operations** – I am actively engaged in discussions with Don Tibbets at Republic regarding our issues with leachate re-injection and optimization. I’ll provide details as we work through the issues.
7. **Goldendale Energy Storage Update** – MOU and waiver.
8. **Public Power Council** – Nominations for the Executive Committee are up again and I think we will submit nominations for KPUD again. I think Gwyn and I may share this a bit more than in past years if I am elected for the utility. All meetings through the end of the year are going to be virtual and the annual meeting is November 5.
9. **BPA** – BPA’s initial indication in the next Integrated Program Review process indicates no rate increase from BPA. That would be four years without an increase. However, the financial reserves policy might impact this and that is not considered a rate increase. I continue to find it interesting how they can cut and dice the numbers so a rate increase is not a rate increase if it is a result of a chosen policy requirement.

There are many details that Mike will keep you up-to-date on as this process unfolds for the next year, but an item of note is net secondary revenues. We all know these revenues have fallen for all the market reasons that drove us to move from renewable electric generation to RNG production. Roughly \$500 million in net secondary revenues a year now looks like \$270 million a year. However, BPA’s response seems to be to continue to adjust the expected revenues down. I still do not see any efforts to work strategically on the things that would affect this value. With all the EIM, expanded day-ahead markets and other initiatives in progress, increasing these revenues is not a stated key item in their strategy. I said so again at the last PPC meeting. I guess I shouldn’t be surprised, but I am. Disappointed, too.

Elliott Mainzer is leaving BPA after 18 years, seven of those as the administrator. He will be moving to CAISO to be the new president and CEO. John Hairston, current COO, will be acting administrator. Robin Furrer will be acting COO and John Lahti will take Robin's place as acting VP-Transmission Field Services. Elliott leaves BPA at the end of August. The replacement process could be as short as several months and as long as a year and a half based on past transitions. The actual hiring will be done by the Department of Energy and the regional delegation has had varied input into the process.

On fish issues, there is one bright spot in the return data, which is down across the board, and that is Snake River sockeye. Returns so far this year are exceeding records since 1967. Of course, that record is 1,300 fish. I do not want to do the math on \$/fish. I am attaching the latest salmon return graphs for your information.

Figure 1. Spring Chinook Passage at BON in 2020 and 10-Year Average (2009-2019)

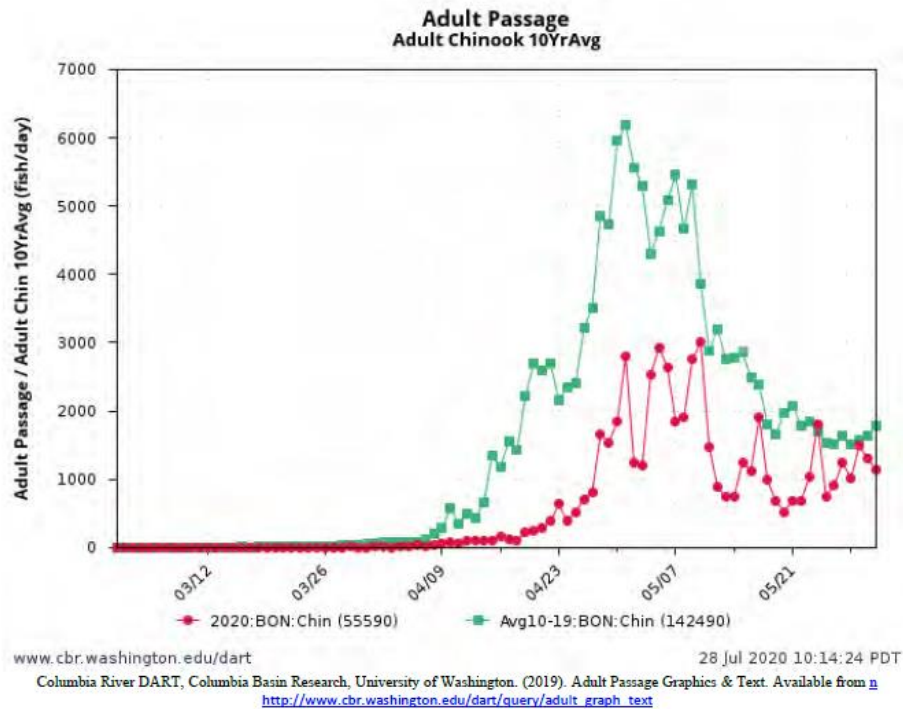


Figure 2. Summer Chinook Passage at BON in 2020 and 10-Year Average (2009-2019)

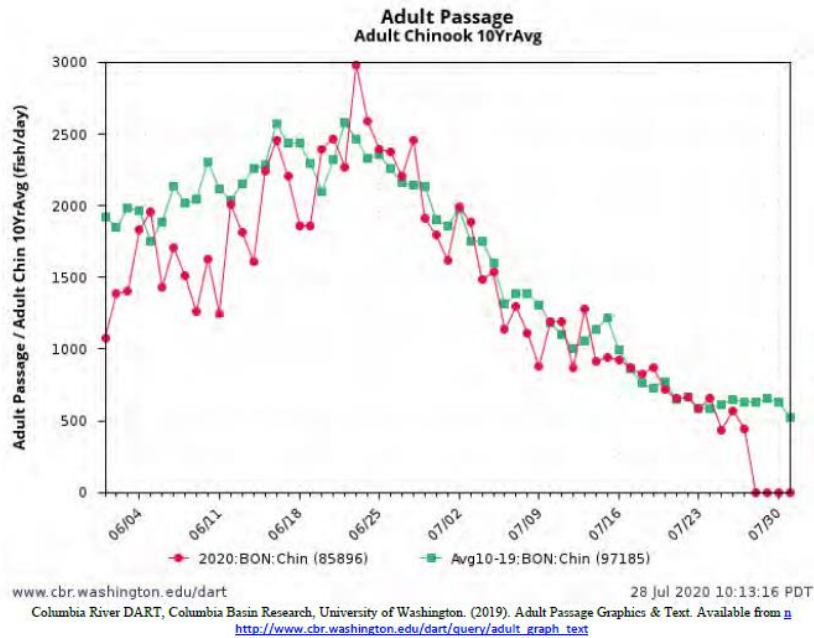


Figure 3. Sockeye Passage at BON in 2020 and 10-Year Average (2009-2019)

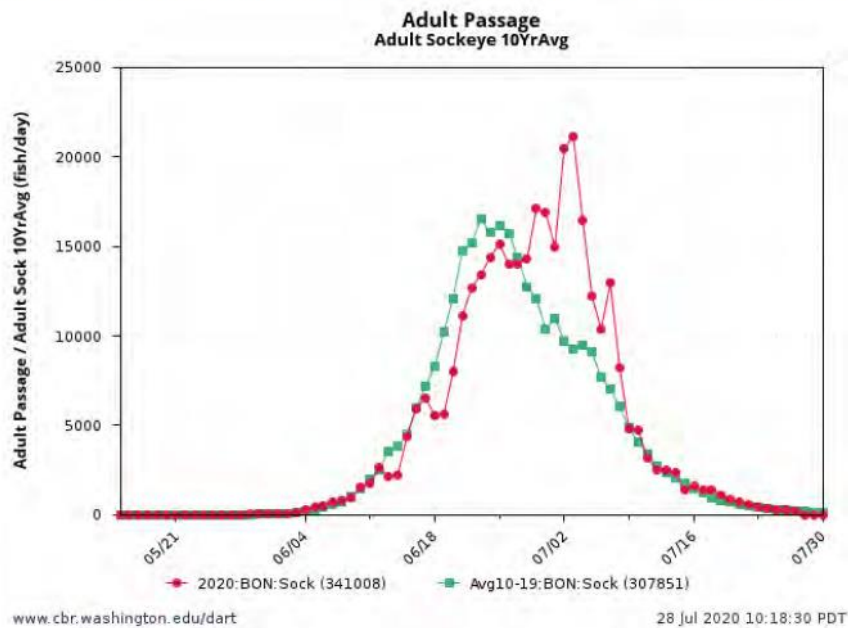
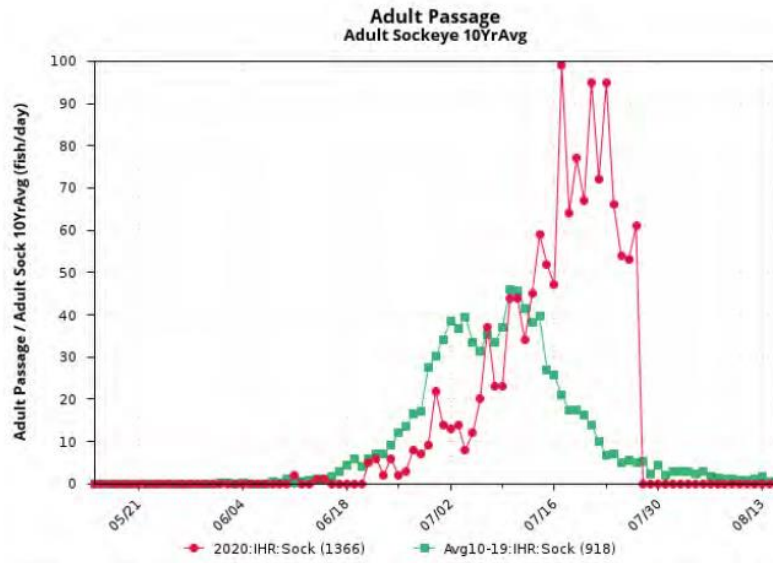
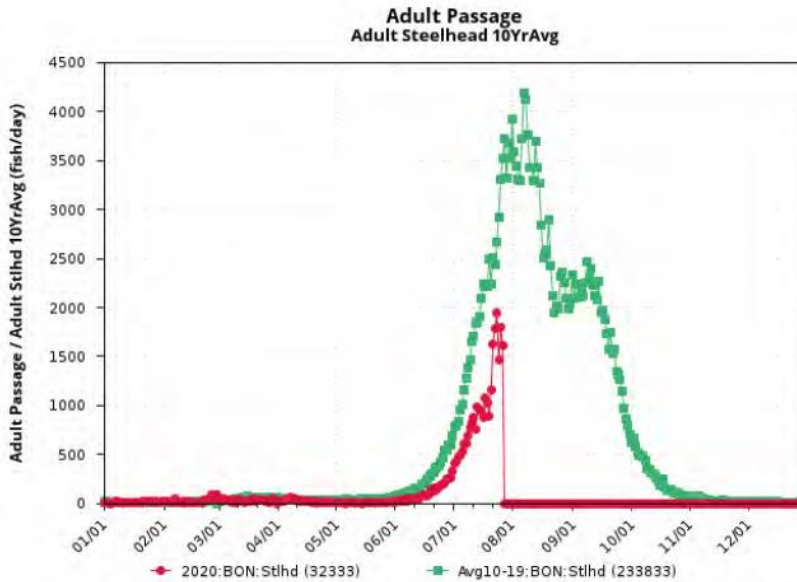


Figure 4. Snake River Sockeye Passage at IHR in 2020 and 10-Year Average (2009-2019)



www.cbr.washington.edu/dart 28 Jul 2020 10:34:59 PDT
 Columbia River DART, Columbia Basin Research, University of Washington. (2019). Adult Passage Graphics & Text. Available from http://www.cbr.washington.edu/dart/query/adult_graph_text

Figure 5. Steelhead Passage at BON in 2020 and 10-Year Average (2009-2019)



www.cbr.washington.edu/dart 28 Jul 2020 10:41:39 PDT
 Columbia River DART, Columbia Basin Research, University of Washington. (2019). Adult Passage Graphics & Text. Available from http://www.cbr.washington.edu/dart/query/adult_graph_text

10. **DNR Wildfire Task Force** – Next meeting/conference call is August 13. The Master Agreement sub-committee will be reporting back this time, and there is a draft of the process for utilizing third party investigators prior to liability being established. Mark and I provided input to the initial drafts and we will see where the task force, and then DNR, takes them from here.