

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
Tuesday, March 12, 2024  
2:00pm

**CALL TO ORDER:** President Randy L. Knowles called the meeting to order at 2:00 p.m. as advertised.

**PRESENT:** Randy L. Knowles - President, Dan G. Gunkel - Vice-President (via teleconference) and Douglas B. Miller - Secretary

**STAFF PRESENT:** Jim Smith - General Manager, Kevin Ricks - Renewable Energy Assets Manager, Mike DeMott - Director of Finance and Power Management, Cara Smith - Accounting Clerk, Cynthia Bruce - Accounting Supervisor, and Luann Mata - Executive Assistant

**VIA-TELECONFERENCE:** Brandon Johnson - Engineering Manager, Anita Clever - Energy Services Specialist, Mark Garner - Engineering Supervisor, Patrick Carroll - Contractor, Sarah Honkala - Accountant, Seth Jones - Buyer, and Courtney Collins - Engineering Support Assistant.

**GUESTS:** Lanae Johnson, Diana Notestine, Julian Notestine, Nancy Kusky, and Pat Shamek, Debra Lester, Liz Anderson, Dave McKenzie, Nicolas Garcia, and Stefany Zelepuza.

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

**MINUTES: MOTION** was made by Commissioner Miller to approve the February 27, 2024 meeting minutes as presented. Motion carried.

**CLAIMS & PAYROLL:** Presented by Cara Smith. 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 12<sup>th</sup> day of March, 2024.

**MOTION** was made by Commissioner Miller to approve accounts payable vouchers and payroll in the amounts as listed:

- Accounts Payable Voucher Nos. 218795 through 218891 in the total amount of \$851,852.10; Electronic Funds Transfer (EFT) transaction Nos. 576 through 580 and Wire and Automated Clearing House (ACH) Nos. 8801931 through 8801935 in the total amount of \$270,434.86 for the period ending March 12, 2024; and
- Payroll ACH Direct Deposit Payroll transactions 213608 through 213692 in the total amount of \$272,116.34 for the payroll period ending February 25, 2024.

Motion carried.

**PUBLIC COMMENTS:** The Brighter Goldendale Christmas committee consisting of Lanae Johnson, Diana Notestine, Julian Notestine, Nancy Kusky, and Pat Shamek presented the KPUD Commissioners with a plaque thanking the PUD and staff for their continued assistance hanging candy cane lights on street lighting poles every year for the Candy Cane Lane lighting project. Klickitat PUD has worked with the committee for approximately 30 years supporting this event.

Washington Public Utility District Association representatives were present to update the board on their continued focus. WPUA President McKenzie was accompanied by Commission Secretary Debra Lester, WPUA Executive Director Liz Anderson, Policy Specialist Stefany Zelepuza, and Policy Director Nicholas Garcia.

Each individual reviewed their role and discussed the 2024 legislative session and where WPUA will focus it's time ahead of the 2025 legislative session.

## **REPORTS:**

**Renewable Energy Assets Report** - Kevin Ricks presented the department report for February. February production was 133,623 DTH. There were two back-to-back forced outages due to equipment failure resulting in a 92.4% reliability factor for February. Kevin discussed the outage factors. Improvements in the LoCI system, other well field controls and operations has produced the highest daily averages to date. The annual spring outage will take place the week of April 22. The plan is to have the plant offline for five to seven days. The planned fall outage will focus on a recirculation project around the Nitrogen Removal Unit system, which should reduce start up times and increase our capacity factor.

Kevin also reviewed carbon free resource projects. The CO<sub>2</sub> project research and testing continues. Design concepts and projected certification costs were discussed at a high level. The air permit pursuit continues should there be a business case for re-powering the LFG combustion turbines. Options are under evaluation. Small hydro projects are still under evaluation as well.

**Power and Finance Update** - Mike DeMott presented the report, which covered Mid-C forward pricing. The forwards indicate that we should anticipate that Tier 2 costs will remain elevated in out years. First quarter Climate Commitment Act (CCA) auction report will be issued 03/13 and will show results of our 21,063 allowances from 2024 that have been consigned to be sold.

Mike reviewed the Bonneville Power Administration's (BPA) proposed transmission projects as reported in the latest Transmission Study Expansion Process (TSEP). Most people we talk to think there is little chance that BPA can deliver the required upgrades to the transmission system on the timelines being requested. Mike reviewed post 2028 BPA rate design components being proposed for the next contract period. Mike will continue to monitor KPUD's total load budgeted vs actual and evaluating whether demand expense will play a significant factor in these costs or not. Mike acknowledged that he is still researching Commissioner Gunkel's BPA import/export question from last month's meeting.

**COMMISSIONER RANDY KNOWLES** - Commissioner Knowles reviewed the meeting he held with the Klickitat County leadership representatives.

**COMMISSIONER DAN GUNKEL** - Commissioner Gunkel did not have a report.

**COMMISSIONER DOUGLAS MILLER** - Commissioner Miller discussed a customer call and a Snake River fish passage article.

**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:

Cold Weather Analysis - Jim reviewed the Energy GPS analysis of the January weather event and discussions from last week's Public Power Council meetings. He discussed the California Independent System Operator (CAISO) transmission congestion rents at length and has a draft of a letter to John Hairston regarding the need to develop a Northwest transmission market as requested by Commissioner Gunkel last meeting. This letter was signed by the board.

## **AGENDA ITEMS:**

- A. RIGHT OF FIRST REFUSAL WHITE CREEK 230KV TRANSMISION - **MOTION** was made by Commissioner Miller to delegate to the General Manager the authority to execute the Right of First Refusal with White Creek

Wind I, LLC. Motion carried.

- B. PRE-QUALIFICATION OF CONTRACTORS - MOTION was made by Commissioner Miller to accept the addition of the contractors presented and agree to add them to the designated Works Rosters, as referenced, for the 2024 period. Motion carried.
- C. BID AWARD DOCK CREW 2024-2025 - MOTION was made by Commissioner Gunkel to award the Dock Crew 2024 and 2025 bid to DJ's Electrical, Inc. in the amount of \$664,096.00 plus tax for labor and standard equipment per year. Motion carried.
- D. PRE-QUALIFICATION OF PROFESSIONAL SERVICES - MOTION was made by Commissioner Miller to accept the addition of the firms presented and agree to add them to the Professional Services Roster for the 2024 period. Motion carried.
- E. TEMPORARY SUSPENSION OF DELINQUENT PENALTIES/FEEES FOR A BILLING CYCLE - MOTION was made by Commissioner Miller to suspend the delinquent process penalties and fees for one billing cycle. Motion carried.
- F. EXECUTIVE SESSION PER RCW 42.30.110 (1)(b) TO CONSIDER ACQUISITION OF REAL-ESTATE - President Knowles called for an Executive Session at 4:00p.m. per RCW 42.30.110 (1)(b) noting that the session would last 60 minutes until 5:00p.m., for the purpose of evaluating the acquisition of real-estate. The session ended at 5:00p.m. No action was taken.

**RCW 42.30.110 – Executive Session.**

(1) *Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting:*

**Adjourned** - There being no further business, the meeting adjourned at 5:01 p.m.

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/S/  
Randy L. Knowles, President

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/S/  
Dan G. Gunkel, Vice President

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/S/  
Douglas B. Miller, Secretary  
Date Approved: March 26, 2024

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/s/  
Luann Mata, Executive Assistant