

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
**Tuesday, August 10, 2021**  
**2:00 p.m.**

**Meetings are now open to the public, teleconference was offered during this meeting as we transition back to in person attendance. Attendance is noted below.**

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

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

**STAFF PRESENT:** Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, Alex Casimiro - AP Clerk, Kevin Ricks - Renewable Energy Assets Manager, Mike DeMott - Director of Finance and Power Management, Mark Garner - Engineering Supervisor, Ron Ihrig - Interim Operations Manager, and Luann Mata - Executive Assistant.

Via teleconference: April Greenlaw - Operations Support Assistant, Brandon Walter - Water/Wastewater Superintendent, Geoffrey Lacefield - System Engineer, Brandon Johnson - Engineering Tech, Sarah Honkala - Accounting Clerk, Robbie Cacy - Buyer, Brandy Myers - Customer and Accounting Services Manager, and Jacob Espinosa - Engineering Intern.

**GUESTS:**

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

**MINUTES: MOTION** was made by Commissioner Knowles to approve the July 27, 2021 meeting minutes. Motion carried.

**CLAIMS & PAYROLL:** Presented by Alex Casimiro. 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 10th day of August, 2021.

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

- Accounts Payable Voucher Nos. 210961 through 210965 and 210967 through 211082 in the total amount of \$598,624.52; Wire and Automated Clearing House (ACH) transaction Nos. 8801509 through 8801512, along with Electronic Funds Transfer (EFT) transaction Nos. 260 through 261 in the total amount of \$136,752.14 for the period ending August 10, 2021; and
- Payroll Warrant No. 210966 and ACH Direct Deposit Payroll transactions 207570 through 207659 in the total amount of \$232,380.20 for the payroll period ending August 1, 2021.

Motion carried.

**PUBLIC COMMENTS:** None

**REPORTS:**

**Renewable Energy Assets July update** - Kevin Ricks discussed the July Report. He highlighted the reliability and production statistics. The final Labor and Industries inspection report was received. There were a few minor discrepancies found at the site, but these items have been corrected and procedures updated.

The Loci landfill well control system project installation is nearly finished. There are ten wells remaining to connect and there are also some gas chromatograph adjustments to complete before the project installation is considered complete. Commissioner Gunkel is encouraged to see that the capacity factor is trending in the right direction and is confident that we will continue to see this trend increase once the Loci well monitoring system begins operation.

**Power and Finance July update** - Mike DeMott provided the July power and finance update. The BP-22 final rate announcement states that region-wide BPA power rates decline by 2.5%, and their transmission rate increases 6.1%. Results for individual customers will vary based on loads and other factors. Klickitat PUD's calculated impact as initially reported by BPA is a 10.1% decrease in power service costs, and a 10.9% increase to our transmission costs to meet our current power needs. Actual results will vary but some savings are expected compared to budget. Average load shaping rates have increased which will impact industrial customer utility billings. Power management has been in continued conversation with the Dallesport based industrial customer who is anticipating rate increases. Commissioner Miller asked how these changes impact our current budget. Mike stated that we anticipated a 2% BP-22 increase in our 2021 budget so we should realize savings compared to budget in 2021, but we will see the full impact in 2022 and we can talk more about that during our budgeting process. Impact of BP-22 rates on our Low Density Discount as well as our Irrigation Rate Discount were reviewed.

During the report, Jim Smith also discussed that we are currently No. 8 in the state for our residential rates; two years ago we were number 5, so we continue to move in the right direction. We have a strategic planning goal for rates to be No. 15 by 2027 relative to our comparison group. With this reduction in BPA rates, Jim asked that the board start to think about an electric rate discussion during our 2022 budgeting process. Jim also discussed possible additional financial trends to be included in the future budget materials to be presented to the board.

Mike attended a meeting at Cowlitz PUD where White Creek Wind energy purchasers had discussions with the entity that is potentially interested in purchasing the project from New York Life and Prudential. Discussions are very preliminary at this point in time.

Mike briefly discussed the super peak allocation with BPA. We are the only entity that elected this option. Mike is still confident that this allocation would provide us with additional opportunities.

**COMMISSIONER DOUGLAS MILLER** - Commissioner Miller promoted participation for the Klickitat Public Utility District fair booth.

**COMMISSIONER RANDY KNOWLES** - Commissioner Knowles inquired on status of the fire mitigation presentation for Public Utility Risk Management Systems. He stated there is an Operations meeting in October that he would like to have this presentation prepared for. He would still like to pursue recognition of our current efforts with Aegis. He wants to have them evaluate us on our efforts, not past claim precedence.

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

**ASSISTANT GENERAL MANAGER** - Gwyn Miller provided an update on:

COVID-19 efforts - The state is still rolling out updates to current practices. The Governor issued a mandatory vaccination requirement for state employees, healthcare workers and workers in the long term care business. We expect these discussions to heighten and coincide with the school year. We also realistically expect the disconnect moratorium will continue past the September 30 deadline.

Public Utilities Risk Management System (PURMS) audit - This fall we expect to complete a risk assessment audit through PURMS.

Scheduling - Both crews are scheduled two weeks out. There is one known customer who was installed this past week after being ready for four weeks. White Salmon's schedule was light so they were brought up to the Goldendale territory to assist with customer work. Currently there are 21 people on the waiting list that are not yet ready for construction. Four are confirmed to be waiting on contractors to set their service and the remainder are on hold for other customer responsibility reasons. We have brought on a crew from Titan Electric; they are working on a transmission replacement project and will be moved to some larger customer line extensions when they are ready to go so that our crews will not be buried with those larger projects. Martin Taylor is back on the property temporarily assisting crews. Ron Ihrig and Mark Garner are working to update the reporting for the board to reflect workload in the future.

Ron is assisting with standardization of scheduling within the utility. The board inquired how far out is our longest job; there was discussion on what determining factors drive the "ready" status. Staff asked the board if scheduling out three weeks was an acceptable practice or if it should be a driver to adjust work focus. They agreed that three weeks has historically been when we have taken steps to reduce the scheduling times and support staffs efforts.

Safety Officer - With the retirement of Mark Pritchard, Jeff Thayer has been re-appointed as the utility safety officer.

**GENERAL MANAGER - The following items are additions to the GM report.**

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)

Budgets - The draft budget schedule is almost ready. Expect to see the first draft to the board at the first meeting in November.

Community meetings - Rimrock residents called to request staff to attend their community council meeting August 24 to discuss their water system. They would like to discuss planned projects, receive an overview of the system and discuss how additional wells could potentially impact the system. Dan Spatz also called to request that Commissioner Knowles and Jim Smith attend a meeting in Snowden to discuss broadband. This meeting is scheduled for October 6.

**AGENDA ITEMS:**

- A. RESOLUTION 1808: RESCINDING CREDIT CARD AUTHORITY FOR MARK PRITCHARD - MOTION** was made by Commissioner Gunkel to adopt Resolution No.1808 therefore rescinding credit card authority granted to Mark Pritchard under Resolution No. 1748. Motion carried.

**Adjourned** - There being no further business, the meeting adjourned at 3:45 p.m.

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/S/  
Douglas B. Miller, President

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/S/  
Randy L. Knowles, Vice President

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/S/  
Dan G. Gunkel, Secretary  
Date Approved: August 24, 2021

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/s/  
Luann Mata, Executive Assistant