

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, June 14, 2022
2:00pm

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 (via teleconference)

STAFF PRESENT: Jim Smith - General Manager, April Greenlaw - Operations Support Assistant, Brandy Myers - Customer and Accounting Services Supervisor, Isabelle Carroll - AP/Accounting Clerk, Kevin Ricks - Renewable Energy Assets Manager, Mark Garner - Engineering Supervisor and Luann Mata - Executive Assistant.

Via teleconference: Cynthia Bruce - Accountant, Geoffrey Lacefield - System Engineer, Mike Nixon - Operations Manager, Jeff Thayer - Materials Manager, and Courtney Collins - Engineering Support Assistant.

GUESTS: Larry Hoctor and Brian Skeahan

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

MINUTES: **MOTION** was made by Commissioner Knowles to approve the May 24, 2022 meeting minutes as presented. Motion carried.

MOTION was made by Commissioner Knowles to approve the May 26, 2022 Automated Metering Infrastructure Workshop meeting minutes as presented. Motion carried.

CLAIMS & PAYROLL: Presented by Isabelle Carroll. 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 14th day of June, 2022.

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

- Accounts Payable Voucher Nos. 213452 through 213459 and 213462 through 213601 in the total amount of \$1,563,921.36; Wire and Automated Clearing House (ACH) transaction Nos. 8801648 through 8801660, along with Electronic Funds Transfer(EFT) transaction Nos. 350 through 354 in the total amount of \$409,537.61 for the period ending June 14, 2022; and
- Payroll Warrant Nos. 213451 and 213460 through 213461; ACH Direct Deposit Payroll transactions 209431 through 209596 in the total amount of \$454,426.75 for the payroll periods ending May 22, 2022 and June 5, 2022.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Renewable Energy Assets update - Kevin Ricks discussed plant improvements and significant updates staff have completed which have led to improved process efficiency and reliability. Kevin also discussed that the Loci contract will continue with a month to month contract at this time. He stated that while there have been

increases in gas collection, the increases are not what we had hoped. However, the increases are paying for the costs of the Loci system. He also noted that the system does provide quantifiable benefits through increased plant process efficiency. The plant is now operating at close to 98%, which means that 98% of the gas collected is going into the pipeline and very little is being flared. This is an increase from about 94% prior to the Loci system. This increase directly increases our output and revenues. We are certain that this also makes our plant the most efficient in the country.

May's production was better than budget. We have an annual maintenance shut down scheduled in June. We currently expect our revenue to end the year around \$225,000 better than budget.

Kevin discussed the options for our combustion turbines. In today's market the carbon risk is too high to justify refurbishing these turbines for our use. Kevin has been in discussions with two vendors who are interested in purchasing different portions of the project equipment. So there may be opportunity to gain revenue from a surplus bid option. The board agreed that exploring surplusing these units is prudent.

The annual RNG pipeline UTC inspections are complete. There were four areas of concern. Staff is taking action to review and correct these items. We have assigned a new lead tech to focus on gas pipeline and well field compliance. Ultimately he is responsible for monthly patrols and inspections, but we are also replacing the current contractor who was assisting with compliance.

SmartHub update - Brandy Myers and April Greenlaw presented an update on how we are utilizing the SmartHub features. This system allows customers to pay their bills online, access their account usage information, submit meter reads and provides updates for utility system messages and outage information if customers subscribe to these features. We have 8,151 accounts enrolled in SmartHub. There are 4,794 subscribed in paperless billing. We have completed our outage management system integration allowing customers to report power outages from their SmartHub account and we will be integrating a messaging feature.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller will attend the Mid-Columbia Economic Development meeting July 26, at 5:30 p.m. Commissioner Miller also stated that the Klickitat County Commissioners will be holding meetings with the Dallesport community to discuss their systems. The County has indicated that they want KPUD to attend, and we are available to attend as Staff and Commissioner. Waiting to hear from County Commissioner Sauter regarding date. An inquiry from a Glenwood water customer regarding fire hydrants was received. Sharon Blodgett has responded to the inquiring person. They have been asked to provide a petition demonstrating community support for the hydrant additions. Department of Commerce resource adequacy meeting is June 17 via zoom.

COMMISSIONER RANDY KNOWLES - Commissioner Knowles attended the Pacific Underwriters Risk Management Systems meeting. Insurance costs are increasing and coverage is decreasing across the board. Commissioner Knowles is working with staff to evaluate our risk factors while PURMS evaluates group options.

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

GENERAL MANAGER - The complete report can be found at:

http://www.klickitatpud.com/topicalMenu/commissioners/GM_Reports.aspx

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

- The Goldendale Energy Environmental Impact Statement - Department of Ecology has released their environmental impact study and public hearing

dates. The comment period is open until July 25th. Staff will put together our comments and Jim wrote a Ruralite back page article addressing this as well.

- Strategic Plan session - We would like to hold the annual strategic planning session in September. The proposed dates are the 14th or 15th. This is also a commission meeting week. Commissioner Knowles was uncertain if these dates would work with his schedule, so we will evaluate other dates and bring back to the next meeting.
- Bonneville Power Administration Post 2028 - Mike DeMott will discuss this at our next meeting.
- Communications series - We will begin to structure articles focused on how we are considering redesigned electric rates and AMI to address our Cost of Service Analysis (COSA), Clean Energy Transformation Act (CETA) requirements, BPA power contracts and power forecasting.
- Customer Contact - We received a call from Mr. Fred Wilkins. He wanted to communicate his thanks to staff for how quickly staff completed the planned power outage on Dot Road last week.

AGENDA ITEMS:

- A. RESOLUTION NO. 1822 AUTHORIZING AUTOMATED METERING INFRASTRUCTURE IMPLEMENTATION - **MOTION** was made by Commissioner Knowles to adopt Resolution 1822, there by authorizing staff to begin implementation of an automated metering infrastructure system. Motion carried.
- B. EXTENSION POLICY DISCUSSION – Mark Garner and Brandy Myers.
 - a. Undergrounding Infrastructure in extreme fire areas: Mark Garner discussed the potential of requiring new line extensions be installed underground in areas deemed extreme fire risk. He provided the board with cost comparisons. It appears that the average cost difference is around 10% for straight forward extensions when the ground can be easily excavated. He also asked the commissioners what information would be helpful to make a determination. The board offered some guidance and asked staff to bring back options. Commissioner Knowles said we should consider underground for all new lines outside city limits or urban boundaries. Commissioner Miller agreed. Three phase versus single phase situations were discussed. Staff will bring back further analysis.
 - b. Idle Service costs: Our existing policy states that we can disconnect and remove a service if idle for 12 consecutive months. Staff is requesting guidance on the backlog of idle services. First, should we purchase AMI meters for these services; second, how far back should we go; and third should we begin charging something to customers who request disconnects for multiple consecutive months. Staff has discussed options such as tailoring a fee to match the water system model, that option would provide consistency between water and electric, but it is not without challenges. Our proposed approach is to contact all customers with idle services, beginning with the oldest. Require that anything disconnected for over 12 months requires an electrical inspection which is no change from current process. Then requesting a response to keep the service or have it removed. We could complete these disconnect requests by pulling the cutouts and de-energize the line, which mitigates fire risk. We could also add a fee to inspect any of our equipment prior to re-energization to ensure it is safe to operate and if it requires upgrades, the requesting customer would pay those costs. Commissioners asked staff to bring back a solution. Fundamentally the question posed was: if it doesn't make sense for a customer to pay to

keep a service installed and connected, why should the utility continue to maintain those same lines at our other customers' cost.

- C. EXECUTIVE SESSION: Pumped Storage project real estate discussions (1)(c)
- President Miller called for an Executive Session at 3:40 p.m. per RCW 42.30.110 (1)(c) noting that the session would last until 4:10 p.m., for the purpose of discussing the Goldendale Energy pumped storage project contracts. At 4:10 p.m. President Miller requested an extension until 4:30 p.m. The session ended at 4:30 p.m. Commissioners returned to the meeting.

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:*

- D. GOLDENDALE ENERGY PUMPED STORAGE: Water Supply and Asset Purchase Agreements - **MOTION** was made by Commissioner Knowles to authorize the General Manager to sign the water supply agreement substantially in the form presented. Motion carried.

Adjourned – There being no further business, the meeting adjourned at 4:32 p.m.

Douglas B. Miller, President

Randy L. Knowles, Vice President

Dan G. Gunkel, Secretary
Date Approved: _____

Luann Mata, Executive Assistant