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Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, July 25, 2023
2:00pm

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

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

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant GM, Cara Smith - Accounting Clerk, Brandon Walter - WWW Superintendent, Sharon Blodgett - WWW Coordinator, Brandon Johnson - Engineering Manager, Brandy Myers - Customer and Accounting Services Manager, Mike Nixon - Operations Manager, April Greenlaw - Operations Support Assistant, Mark Garner - Engineering Supervisor, Kevin Ricks - Renewable Energy Assets Manager, and Luann Mata - Executive Assistant/Clerk of the Board.

Via teleconference: Andrew Jaekel - Buyer, Sohn Kartes - Materials Manager, Patrick Carroll - IT Consultant, Geoffrey Lacefield - System Engineer, Cynthia Bruce - Accountant, Courtney Collins - Engineering Support Assistant.

GUESTS: Larry Hoctor

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

MINUTES: **MOTION** was made by Commissioner Miller to approve the July 11, 2023 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 25th day of July, 2023.

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

- Accounts Payable Voucher Nos. 216781 through 216919 in the total amount of \$1,924,307.58; Electronic Funds Transfer (EFT) transaction Nos. 488 through 493 and Wire and Automated Clearing House (ACH) transaction Nos. 8801820 through 8801825 in the total amount of \$1,314,728.58 for the period ending July 25, 2023; and
- Payroll ACH Direct Deposit Payroll transactions 212110 through 212305 in the total amount of \$280,648.98 for the payroll period ending July 16, 2023. Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Outage Update - Mark Garner, Mike Nixon and April Greenlaw provided an overview of the Newall Road Fire, which started July 21. Mark reviewed photos received from the field to demonstrate what the field conditions were.

Overall, we did not sustain much damage. There were 7 energized poles destroyed. One pole in a 230 kV H-structure was damaged. That pole has been secured and will be replaced before winter during a planned outage. We had 32 poles staged on Dot Road for a project slated to begin in August and those poles were lost despite the

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efforts of John Starr to save them. We had no outages, other than several small planned outages to replace ~~some of the~~ damaged poles that were safety concerns and needed replacement immediately. ~~that were deemed to be emergent.~~ Metershop and Water operators worked in tandem to install generators at the water facilities in Bickleton and Roosevelt to ensure that water would be available for customers as well as to assist fire crews with filling trucks. RNG staff shut down the project in response to information received of the fire entering Republic's property. This information turned out to be inaccurate and lead to approximately 6-hours of generation loss. Fire crews, Republic staff and the utility staff all worked united in the effort to minimize as much property damage as they could. Staff staged all around the perimeter of the fire throughout the event. Crews were hand-digging around poles ahead of the fire and followed behind the fire, extinguishing any burning facilities. We believe this saved a substantial portion of our infrastructure. The spraying we do around the base of our transmission poles proved very effective. Water Wastewater operators monitored reservoirs and worked with emergency management to ensure water levels were maintained to meet customer and fire suppression needs.

Upon completion of the event review, Jim Smith proposed Resolution 1840 declaring that an emergency condition exists due to the Newell Road Fire.

Water and Wastewater Report - Sharon Blodgett and Brandon Walter presented the June department update. The Lyle Wastewater fire hydrant project has started. Ponderosa water well repairs are complete and were timely due to the unexpected fire event west of the park.

Zain Gasparovich passed his certification exams and is now a certified wastewater operator.

During the Newell Road Fire, Brandon Walter and his operators monitored reservoirs and worked with emergency management to ensure water levels maintained to meet customer and fire suppression needs. Brandon thanked the meter shop for completing the generator installations.

Operations Report - Mike Nixon reviewed our reliability statistics. We are still exceeding our 2023 reliability goal currently. Customer work is down from normal and crews completed work to put the MA Collins upgrade into service. Kemp West is working on clearing cross-country taps now and they are still working on target. John Starr has been evaluating the system for danger trees and our in-house tree crew is removing them. The current Industrial Fire Precaution Levels (IFPL) has been at 2, but increased on Monday to level 3 in the Goldendale area. We expect that Trout Lake will increase soon

The June safety meeting consisted of pole top rescue and bucket rescue training. Staff provided safety training for fire and police and are reaching out to other agencies to offer this training.

Staff participated in the Pacific Northwest Lineman Rodeo this year. Our crews did well and Dominic Raether scored 1st overall in the pre-apprentice division. Due to the Newell Road fire, we had a few registered individuals not in attendance. However, as soon as the rodeo participants were back on the property they moved directly into fire response that night, relieving staff who had been out all day.

Engineering Report - Brandon Johnson and Mark Garner presented the June update. The MA Collins substation work is complete and the new equipment is in service. It was helpful having crew availability during commissioning, as there were a few items that required repairs prior to energizing. The scheduled outage to clean up the bird nests and treat substation equipment with chemicals prior to installing the lasers in the substation is complete. The lasers are online now and there have been no reports or evidence of birds entering the property so far. Based on these results, we will be installing these lasers at Biogas II and Harvest Wind Substations where we have bird issues as well. Commissioner Miller asked if any of the irrigators

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were adversely hindered by this construction project. Brandon said not that he is aware of.

Automated Metering Infrastructure (AMI) training dates are scheduled. Some training will be virtual, formal onsite training will begin in October. The week of August 14, Landis+Gyr (L+G) staff will be on site to determine the installation locations for routers and gateways. Meter delivery should be complete mid-August and routers ship at the end of August. Allegiant installers are waiting on location confirmation, before deploying crews. Our plan is for installation to begin on the West end of the district.

Our internal AMI opt out process is under review. There are four steps. A customer self-assessment, customer application, staff evaluation and opt out review. Customers will be contacted with a final determination of eligibility. We utilized our new CSR, Ocean Bryan for development of these documents to gain a fresh perspective. If customers choose the Opt out program, a non-refundable application fee, along with a monthly AMI service charge will apply. The application fee covers our administrative costs for assessing the feasibility options. The monthly fee covers costs to read the meter. Staff will begin contacting the interested individuals soon.

Chris Warner started work as our new substation wireman. For now, he will focus on water and wastewater to learn and provide resources for those systems.

Mark Garner reviewed the June customer work, which is approximately 30% below normal. We are currently scheduling 1-3 customer installations a week. This has provided ample opportunity for engineers to focus on maintenance projects. Some of the maintenance projects focused on our trip saver installations. Sturgeon Electric is nearly complete on the 4th phase of the Woodland Road project. This should wrap up next week. This crew will move off site for two weeks, then return to the Dot Road rebuild project. Since the Newell Road burn, fire danger is reduced on Dot Road.

COMMISSIONER RANDY KNOWLES - Commissioner Knowles attended the Lineman Rodeo in Gresham, Oregon. He commented that staff did well throughout the event and represented us well. He also toured the Newell Road fire area and the Woodland Rd project. On August 15, he is scheduled to attend a meeting with Jim Smith and a local group in White Salmon to discuss the AMI project.

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

COMMISSIONER DOUGLAS MILLER - Commissioner Miller mentioned that he has talked with a Goldendale and a Dallesport customer regarding the AMI opt out. The EDA Meeting July 25 was canceled.

ASSISTANT GENERAL MANAGER -

- Gwyn Miller recognized the efforts of staff, especially during the Newell Road fire. We had individuals doing their best to protect our infrastructure and keep the power on so our customers would have the ability to protect their properties as well. April Greenlaw and Andrew Jaekel have ordered hand held personal fire extinguishing devices and we will be holding a lessons learned session once we have caught up after the fire. The Commissioners passed along their appreciation to staff for their efforts.

GENERAL MANAGER -

- Jim mentioned that copies of the Straight Talk articles were in the packets and that the next articles will focus specifically on the Advanced Metering Infrastructure (AMI) project.
- Jim provided a high-level review of the Draft Bonneville Power Administration BPA post 2028 proposal.

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- PNWER's Annual Summit - Jim provided his thoughts on the various presentations regarding electrification, carbon legislation and their impacts from the perspectives of the policy maker's that were present at the conference.

AGENDA ITEMS:

- A. RESOLUTION 1839 BANKING SIGNATURE AUTHORITY - **MOTION** was made by Commissioner Miller to adopt Resolution 1839 authorizing Banking Signature Authority to Gwyn Miller and Cynthia Bruce. Motion carried.
- B. POLICY 7 CREDIT SALES: COLLECTIONS/CHARGES AND ADJUSTMENTS - **MOTION** was made by Commissioner Gunkel to approve the updates to Policy 7 Credit Sales, aligning the credit, collections and adjustments processes with new legislation modifications. Motion carried.
- C. CARBON FREE POWER SOURCE, SMALL MODULAR NUCLEAR REACTOR INVESTIGATION UPDATE - Kevin Ricks presented the update. Energy Northwest (ENW) is in discussions with an investor-owned utility regarding investment in the project. X-Energy updated project cost estimates that are still in development and review. We expect to receive a non-disclosure agreement from Energy Northwest and X-Energy within the next few weeks to explore further. Staff has also talked with UAMPS (Utah Associated Municipal Power Systems) about their NuScale Project. This project is an Advanced Reactor Demonstration Project (ARDP) federal funding recipient that reduces the upfront financial risks. UAMPS is willing to attend a meeting to walk the Commissioners through their project. Kevin was asked to schedule this discussion.

Commissioner Gunkel asked if BPA has an obligation to provide energy to preference customers above the Tier 1 level. Jim Smith stated that their obligation is our load minus dedicated resources per the Power Act, so yes, they are obligated to serve our full preference amount if we request it. A discussion ensued regarding the relationship between the Northwest Power and Conservation Council (NWPC) and BPA.

Commissioner Gunkel had asked about the effectiveness of the Loci project at a previous meeting. Kevin reviewed his initial findings to start to answer this question as definitively as we can. Indications are that there are noticeable positive impacts.

As previously mentioned, the RNG plant was taken offline during the Newell Road fire. After start up, the operators experienced issues in maintaining flow and gas quality. It was determined that we had CO2 ice build-up in nitrogen removal unit (NRU). This required them to shut the plant down again and warm the NRU to melt the CO2. This led to additional down time. In the pressure of the out of control approaching fire, we shut the plant down on a report from Republic staff. We should have confirmed this before shutting the plant down.

- D. RESOLUTION 1840 DECLARING EMERGENCY CONDITION EXISTS DUE TO THE NEWELL ROAD FIRE - **MOTION** was made by Commissioner Miller to adopt Resolution 1840. Motion carried.

Adjourned - There being no further business, the meeting adjourned at 4:15 p.m.

Randy L. Knowles, President

Dan G. Gunkel, Vice President

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Douglas B. Miller, Secretary
Date Approved: _____

Luann Mata, Executive Assistant