

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, September 22, 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 - 9/08/2020 Meeting
- Approval of Claims/Vouchers for period ending 9/22/2020 (*Cynthia Bruce*)
- Approval of Payroll for period ending 9/13/2020 (*Cynthia Bruce*)

➤ **PUBLIC COMMENT PERIOD**

REPORTS - 10 min. each:

- Water/Wastewater update (*Sharon Blodgett*)
- Operations Report (*Mark Pritchard*)
- Engineering Report (*Ron Schultz*)
- Commissioners' Reports
- Assistant General Manager Operational Report (*Gwyn Miller*)
- Manager's Bi-Monthly Report (*Jim Smith*)
(see attached report)

GUESTS:

- Tom McDonald, Cascadia Law

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

- A. Cliffs Water Trust Discussion (*Jim Smith*)
- B. Policy 25 - Net Metering Revision Adoption (*Anita Clever*)
- C. Bid Award - Cable in Conduit (*Jeff Thayer*)
- D. Resolution 1793 - Electronic Signature (*Gwyn Miller*)
- E. Resolution 1794 - Appointment of Auditor and Deputy Auditor (*Gwyn Miller*)
- F. Review of Draft Strategic Plan (*Jim Smith*)

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

- Senior Staff Budget Workshop - September 30

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 September 22, 2020 Meeting

AGENDA ITEMS:

- A. Cliffs Water Trust Discussion - Tom McDonald will be present via phone to discuss a request by Ecology that we complete a water right trust agreement for the Cliffs water rights.
- B. Policy 25 - Net Metering Revision Adoption - Anita Clever is asking for approval of Policy 25 and the supporting appendices. We discussed these policy changes on September 8. Therefore, staff will be requesting approval of the policy as presented.
- C. Bid Award - Cable in Conduit - We received two bids for the Underground 15kV CIC bid request. Our wire contract is for one year. General Pacific was the low successful bidder. The bid approval amount that staff is requesting is \$105,900 excluding tax.
- D. Resolution 1793 - Electronic Signature - Gwyn Miller discussed with the board the need to have an electronic signature option available, to be utilized if physical availability is not an option. Staff has been evaluating options for implementation and is requesting the board approve Resolution 1793 authorizing staff to conduct business electronically so as not to disrupt daily operations.
- E. Resolution 1794 - Appointment of Auditor and Deputy Auditor - Gwyn will also be requesting approval to appoint Beth Schroder as auditor and appoint Nichole Lantau as deputy auditor along with adding Assistant General Manager as an authorized signer on the district's behalf. This change is requested as Jim Moss, our appointed auditor, is retiring at the end of the month.
- F. Review of Draft Strategic Plan - We held our two planning sessions with managers, supervisors and key staff to develop long-term goals and strategies for the Customer and Organizational Capacity categories as requested by the board. The results of these sessions are included for your review in the attached draft strategic plan document.

NON-AGENDA ITEMS:

- 1. Legislation Impacting Grid Reliability - Commissioner Gunkel has suggested that KPUD be more involved with applying pressure on legislators so that they may recognize the

potential impacts that the current carbon related policies would likely have on electric grid reliability. Given the recent rolling blackouts in California, there is an opportunity that the region should take to prevent our state from slipping into third world status. I provided Representative Mosbrucker's legislative assistant with documents and studies that detail this potential problem.

Commissioner Miller suggested that we follow up with our various associations to ensure they are taking necessary steps towards this goal as well.

I also reached out to Benton PUD, who has done some work that borders on this subject. Attached is an email that Benton PUD sent out to some in the region and a report they created that we might want to leverage. They are agreeable to us using their work and I think they created a very comprehensive product. However, while discussing the looming capacity shortage, their intent is not exactly the same. They focus more on opposing wind projects in their service territories for all the reasons they describe. They are also a slice customer, so some of their concerns are not the same as ours as a BPA load-following customer. However, they are taking a stance and I wanted to provide you this information as it could help us develop a position and documentation if you would like us to consider that path.

2. Regional Public Power Position on Removal of Snake River Dams - I have been involved with PPC and a few others on some concerning positions that are being implied regarding the Snake River dams. As you know, the Columbia River Environmental Impact Statement (EIS) has been released and it concluded that retaining the Snake River dams is in the best public interest. There have been "suggestions" that the future of the dams be turned over to a four regional state governor process. I believe that this is not appropriate or necessary. The EIS was completed utilizing the best available science and an incredible amount of public input. This should be the process that dictates the future of these facilities. Turning this over to state politics is just wrong.

I want to ensure I am representing the board correctly in this as this might become a bit vocal.

3. DNR Wildland Fire Prevention Task Force - We held what is supposed to be our second to last meeting this week. My major concern is that the proposed master agreement for ROWs between utilities and DNR is nothing more than how DNR has always done business. Mark Pritchard is a member of the sub-committee tasked with drafting this agreement and he has told you that DNR is not listening to utility input on just letting us take out hazard trees. The real estate/trust folks in DNR are so concerned about process and ensuring no impact on the value of a particular tree, that they have completely ignored the risk of fires that is being propagated with their attitude. They just can't see the forest for the trees...

After discussions with Mark, I provided detailed feedback in writing on the document to the committee and I stated, in the meeting, my position that the subcommittee needs to go back and start again. I believe that the solution is relatively simple. If there are trees in

the ROW, they come out as we find them. If there are hazard trees outside the ROW, they come out as we find them. DNR wants a long, complicated process so they can decide if a hazard tree needs to be removed while “protecting the value for the trust”. Meanwhile we carry the liability and state residents are exposed to increased risk of fires.

DNR stated that they will take further input this next week and we will likely require further meetings. Their report to the legislature is due December 1, although they did acknowledge that getting a good report is more important than delivering on that date. I have a discussion with DNR tomorrow that should give me a better perspective if DNR leadership will listen to the input and force departments within DNR to make changes, even if that requires policy or legislative changes, or whether the status quo will prevail. If nothing changes, I would suggest we run further legislation this year that requires DNR to make changes necessary to reduce fire risk.

4. Dark Fiber - Chris Evans confirmed via CenturyLink that the only fiber into the Gorge is via Hood River and that this feed is a radial line that frequently is subject to damage and interruptions. I just wanted to plant the seed with you that there may be significant value to our area of a loop feed from the east via our interconnection with Benton PUD.
5. 2021 Operating Budget - We have compiled the first rough budgets and are reviewing them. Attached is the budget schedule we will be trying to follow, leading to a budget hearing on December 8 or December 22.