

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
Tuesday, April 9, 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 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, Shelby Manka - Accounting Clerk, Cynthia Bruce - Accounting Supervisor, Anita Clever - Energy Services Specialist, Sarah Honkala - Accountant and Luann Mata - Executive Assistant

**VIA-TELECONFERENCE:** Brandon Walter - Water/Wastewater Superintendent, Brandy Myers - Customer and Accounting Services Manager, Patrick Carroll - Contractor, Russ Patton - Project Engineer, Seth Jones - Buyer and Courtney Collins - Engineering Support Assistant.

**GUESTS:** Larry Hocter

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

**MINUTES: MOTION** was made by Commissioner Gunkel to approve the March 26, 2024 meeting minutes as submitted. Motion carried.

**CLAIMS & PAYROLL:** Presented by Shelby Manka. 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 9<sup>th</sup> day of April, 2024.

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

- Accounts Payable Voucher Nos. 219025 through 219155 in the total amount of \$1,016,322.25; Electronic Funds Transfer (EFT) transaction Nos. 586 through 590 and Wire and Automated Clearing House (ACH) Nos. 8801945 through 8801949 in the total amount of \$179,638.77 for the period ending April 9, 2024; and
  - Payroll ACH Direct Deposit Payroll transactions 213780 through 213863 in the total amount of \$241,372.18 for the payroll period ending March 24, 2024.
- Motion carried.

**PUBLIC COMMENTS:** None

**REPORTS:**

**Renewable Energy Asset Update** - Kevin Ricks presented the department report for March. Plant production hit an all-time high of 151,664 dekatherms with a 97.8% capacity factor and zero outages for the month. With these production numbers Commissioner Gunkel recognized that the project is on its way to reaching its 95% capacity factor goal. The increased production is due to adjustments staff continues to make on the LoCi system along with the new wells across the landfill and constant improvements in the control system. Staff continues to explore carbon free power resources and other opportunities for the landfill gas project. Kevin is continuing discussions with off takers regarding CO<sub>2</sub> production. A meeting with the Commander of the Army Corp of Engineers in charge of the McNary Dam territory is

scheduled. The general managers and lead staff from Klickitat and Northern Wasco will attend this meeting.

**Finance and Power Management Update** - Mike DeMott presented current and future Mid-C power prices as compared to 2024 budget. Mike reviewed the BPA Resource Support Service (RSS) at a high level focusing on the various components of RSS such as Diurnal Flattening Services and Secondary Credit Services. Sample RSS calculations for various generation types were presented showing hydro was less expensive to shape than other resources such as wind and solar.

Jim Smith discussed the potential rate impacts of recent legislation and a Pacific Northwest Utilities Council load forecast outlook. Commissioner Gunkel asked what the average power price was in January before and during the cold event when BPA purchased power and wheeled it through California. Mike DeMott will research and bring this information back.

**Year-end Financials** - Sarah Honkala presented the report. Total revenues were just over \$2,000,000 above budget above budget. Total expenses were \$3.7 million below budget. In addition, we were under spent on our capital plan by \$3.1 million due to materials and contract delays. The debt service coverage was 2.15 compared to the budgeted 1.69 and the day's cash on hand was 266 as compared to budgeted 177. Cynthia Bruce also added that the 2024 budgeted debt service coverage is 2.02 and days cash is 289 with projected borrowing included.

**Energy Services Update** - Anita Clever presented the update providing net metering customer statistics. There are currently 325 net metering accounts with name plate generating capacity of 2604 kilo-watts. We have met the state requirement and the program's annual growth is around 27%. There was only one net metering related legislative update from the 2024 legislative session. This legislation provided consumer protection on installers. Anita has added a link to the reporting form and updated our frequently asked questions section on our website. The annual true up for the net metering accounts yielded \$12,481.60. All customer accounts were zeroed out on April 1. Anita also reviewed the Clean Energy Transformation Act 2019 audit results. She is beginning work with two contractors to assist with development of our assessment requirements for compliance purposes.

**COMMISSIONER RANDY KNOWLES** - Commissioner Knowles reported on a meeting with Klickitat County Commissioner Zoller that he and Jim Smith attended. Commissioner Zoller requested that the PUD also present this same information at a meeting with the planning department and the economic development committee to review projected regional resource concerns the PUD is facing and the impacts on the county. Commissioner Zoller will get back to Jim on scheduling that meeting.

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

**COMMISSIONER DOUGLAS MILLER** - Commissioner Miller attended the WPUDA Water committee meeting.

**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:

Tom McDonald, Cascadia Law, reported to Jim that the Department of Ecology is reviewing its definition of municipal water service. There is a new definition draft due out by the end of April. Jim will bring back the definition for discussion. He also reviewed the determination by the Washington Public Utility District Association (WPUDA) on a PPC request that WPUDA support BPA's position on the Southwest Power Pool (SPP+) market. The general managers did not reach a level of support that WPUDA felt necessary to issue a recommendation to the WPUDA executive board to support BPA's position. As a result, WPUDA did not issue a position.

**AGENDA ITEMS:**

- A. BID AWARD E.E. CLOUSE SUBSTATION EXPANSION PROJECT - **MOTION** was made by Commissioner Miller to approve Award of the E.E. Clouse Substation Expansion Project bid in its entirety to Palouse Power in the amount of \$1,270,254.74 for Schedule A and \$1,280,696.84 for Schedule B. Motion carried.
- B. PREQUALIFICATION OF CONTRACTORS - **MOTION** was made by Commissioner Gunkel to accept the addition of the contractors provided and agree to add them to their designated works rosters for the 2024 period. Motion carried.
- C. PREQUALIFICATION OF PROFESSIONAL SERVICES CONSULTANTS - **MOTION** was made by Commissioner Gunkel to accept the addition of Empower Dataworks and agree to add them to the Professional Services roster for the 2024 period. Motion carried.
- D. EXECUTIVE SESSION PER RCW 42.30.110 (1)(b) TO CONSIDER ACQUISITION OF REAL-ESTATE - President Knowles called for an Executive Session at 3:05 p.m. noting that the session would last 60 minutes until 4:05 p.m., for the purpose of considering the selection of a site or the acquisition of real estate by purchase pursuant to RCW 42.30.110 (1)(b). The executive session ended at 4:05 p.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 4:07 p.m.

                          /S/                            
 Randy L. Knowles, President

                          Absent                            
 Dan G. Gunkel, Vice President

                          /S/                            
 Douglas B. Miller, Secretary  
 Date Approved: April 23, 2024

  /s/    
 Luann Mata, Executive Assistant