

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, July 14, 2020
2:00pm

Due to the office closure associated with COVID-19 precautionary standards, in person attendance is still restricted. Attendance is noted below.

CALL TO ORDER: President Dan G. Gunkel called the meeting to order at 2:00 p.m. as advertised.

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

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant General Manager and Luann Mata - Executive Assistant.

Via teleconference: Mike DeMott - Director of Finance and Power Management, Mark Pritchard - Operations Manager, Cynthia Bruce - AP/Accounting Clerk, Jeff Thayer - Materials Manager, Sharon Blodgett - Water/Wastewater Coordinator, Brandy Myers - Customer Service Supervisor, Beth Schroder - Accountant, Kevin Ricks - Renewable Energy Assets Manager, Ron Schultz - Engineering Manager, Jim Moss - Auditor, Geoffrey Lacefield - System Engineer II, Brandon Johnson - Engineering Tech, Russ Patton - Project Engineer and Brandon Walter - Water/Wastewater Lead.

GUESTS: Larry Hoctor via teleconference.

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

MINUTES: MOTION was made by Commissioner Knowles to approve the June 23, 2020 meeting minutes as presented. Motion carried.

CLAIMS & PAYROLL: Presented by Cynthia Bruce. 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 July, 2020.

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

- Accounts Payable Voucher Nos. 207757 through 207763, and 207765 through 207884 in the total amount of \$1,116,498.73; Wire and Automated Clearing House (ACH) transaction Nos. 8801340 through 8801346, along with Electronic Funds Transfer (EFT) transaction Nos. 146 through 150 in the total amount of \$364,925.77 for the period ending July 14, 2020; and
- Payroll Warrant Nos. 207756 and 207764 along with ACH Direct Deposit Payroll transactions 205094 through 205262 in the total amount of \$405,759.96 for the payroll periods ending June 21 and July 5, 2020.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Finance and Power Management Update - Mike DeMott presented the department report for June. He highlighted the 2022 current forward pricing projections and requested guidance on hedging in 2022. As the current forward pricing is better than current future year forecasts, Mike recommended that we transact Q3 purchases in 2022. The board supported this recommendation and asked Mike to bring the transaction results back to the board when completed. He

discussed June gas prices, approval of the provisional pathway and discussions with BP to sell our stored gas. We have 170,000 units in storage. We will continue to monitor ratings reviews of businesses we hold contracts with due to the current financial impacts from the COVID-19 moratoriums.

Mike discussed the Bonneville Power Administration's BP22 process and Kevin Ricks discussed current performance of the newly commissioned wells at Republic's Roosevelt Regional Landfill.

COMMISSIONER DAN GUNKEL - Commissioner Gunkel discussed his concerns on what he perceives is over reach in the Governor's proclamations. He voiced his belief that the Governor's directives that limit our ability to effectively collect our arrears in accordance with prudent utility practice does not appear to have anything to do with protecting public safety or health and welfare as allowed by state law. Commissioner Knowles asked what are the penalties associated with non-compliance of following the disconnection moratorium. The commissioners agreed that the proclamations are limiting prudent utility practice and directed Jim to look into both questions and provide an update to the board.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller participated in Department of Ecology water banking meetings last month. He will attend another meeting this week.

COMMISSIONER RANDY KNOWLES - Commissioner Knowles attended the Public Utilities Risk Management Systems meetings. They discussed a settlement with NoaNet, electronic signatures, accident claims assessments, cyber security and the Department of Natural Resources fire taskforce update. He also stated that the group revised coverage language and asked that staff review these changes to ensure there are no unintended consequences.

ASSISTANT GENERAL MANAGER - Gwyn Miller presented the current operational update. She provided an overview of the current COVID-19 status for our state. Gwyn explained thoughts behind the Department of Commerce evaluation we completed and the need to be prepared for future issues. One item she noted was that if we have an outbreak and don't have all of our available crews or experience a storm issue and need mutual aid the support may not be available in the future. So we need to prepare our customers that they may experience longer than normal outage response times.

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:

Jim Smith discussed that Mike DeMott will bring a five-year financial forecast to the next meeting for their review. Jim would like them to evaluate this forecast as it will be an important tool to utilize when we begin our strategic planning sessions. Jim discussed the current status of the pumped storage permitting.

AGENDA ITEMS:

- A. **RESOLUTION 1789 SURPLUS OF MISCELLANEOUS MATERIALS** - **MOTION** was made by Commissioner Knowles to authorize the Materials Manager to surplus the items listed. Motion carried.
- B. **RESOLUTION 1790 SURPLUS OF VEHICLES** - **MOTION** was made by Commissioner Miller to authorize the Materials Manager to surplus the items listed. Motion carried.
- C. **KPUD COVID-19 CUSTOMER SUPPORT PROGRAM WEBSITE UPDATE** - **MOTION** was made by Commissioner Knowles to authorize the General Manager to approve changes to customer service programs and authorize staff

