

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
**Tuesday, August 25, 2020**  
**2:00 p.m.**

**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, Brandy Myers - Customer Service Supervisor, and Luann Mata - Executive Assistant.

Via teleconference: Mark Pritchard - Operations Manager, Cynthia Bruce - AP/Accounting Clerk, Jim Moss, Auditor, Jeff Thayer - Materials Manager, Beth Schroder - Accountant, Kevin Ricks - Renewable Energy Assets Manager, Mike DeMott - Director of Finance and Power Management, Ron Schultz - Engineering Manager, Brandon Johnson - Engineering Tech, Mark Garner - Customer Engineering Supervisor, April Greenlaw - Operations Support Assistant, Jeff Thayer - Purchasing Manager, Sharon Blodgett - Water/Wastewater Coordinator, Nichole Lantau - Accountant.

**GUESTS:** Athan Tramountanas, KPUD legal counsel, and Tom McDonald, KPUD water rights attorney - present via teleconference for executive sessions.

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

**MINUTES: MOTION** was made by Commissioner Knowles to approve the August 11, 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 25<sup>th</sup> day of August, 2020.

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

- Accounts Payable Voucher Nos. 208092, and 208094 through 208211 in the total amount of \$713,510.62; Wire and Automated Clearing House (ACH) transaction Nos. 8801358 through 8801359, along with Electronic Funds Transfer (EFT) transaction Nos. 161 through 165 in the total amount of \$449,079.94 for the period ending August 25, 2020; and
- Payroll Warrant Nos. 208093 along with ACH Direct Deposit Payroll transactions 205432 through 205518 in the total amount of \$216,250.29 for the payroll period ending August 16, 2020.

Motion carried.

**PUBLIC COMMENTS:** None

**REPORTS:**

**Water/Wastewater Update** – Sharon Blodgett presented the report for July. The contractor installing radio read meters in Wishram is almost complete. We are in the process of notifying customers that the contractors will be moving to Lyle soon. The hydrant meter installed in Roosevelt for the Lund Hill solar project has not shown

usage yet. M&M excavation will be working in Klickitat beginning next week. They will be replacing line and installing hydrants on Loop Road.

Commissioner Knowles asked if there has been any movement with the Yakama Tribal Housing property purchase in Wishram. Sharon stated that Kelly Coons with the Yakama Tribal Housing Authority is pursuing locating utilities. They will be hiring a contractor to video the sewer lines at their cost. This information will be provided to us. When they begin this camera work we will have an operator on the property until they complete the process. From the information we have received, the purchase is still in the feasibility study process and as of last week the sale was still pending.

**Operations Update** – Mark Pritchard discussed July’s outage statistics. Crews are focused on customer installations and vegetation management. The contract crews are continuing to work on right-of-way clearing in town. We have TK Contractors completing the pole testing for the year. If they continue at this pace we should be back on schedule with our inspection and testing by the end of the year. Mark Pritchard also provided an update on the work of the DNR wildfire subcommittee he is a part of.

In November we will be adding the Work Process Solution, a new NISC product, to help streamline our work flow with mobile applications. This program will allow staff in the field to complete work and once they return to the office the information automatically updates in the system. We will also be able to send work to staff in the field throughout the day. This should minimize the amount of paperwork that must be completed and reduce manual data entry.

Jeff Thayer provided an update on the results of the surplus auction. Our safety coordinator, John Spain, will be onsite this week to conduct a make-up flagging training and deliver heat stress safety training to the crews.

**Engineering Update** – Ron Schultz presented the department report for July. He is still working with BPA on agreements for the EE Clouse upgrade, including language regarding capacity available to us from the BPA Chenoweth substation for customer load growth. The metershop is working with customer service on replacing some old meters as standards have changed and some access to customer locations have become a safety concern. We have a surplus of radio read meters we purchased from Northern Wasco that they will begin to deploy. These meters will be used in areas that are difficult to access such as bridges and railroads. We are still pursuing a 115 kV transmission loop in Alderdale with Benton PUD. We also plan to complete the Flattop underground project this year.

There have also been cross-departmental discussions on high-energy consumption accounts. We are evaluating installation of demand meters in areas where we have concerns. This will also provide us with load profile information.

We are in the process of updating our interconnection policy as well as some cost of service adjustments to our line extension policies. Ron will bring these policies back for board review and approval.

**July Financial Report** - Mike DeMott and Nichole Lantau discussed the July financial statement. Mike reviewed the highlights of the income statement and cash flow updates. July financial numbers lead us to think that our year-end forecast is getting closer to budget. Our rate revenue is increasing and we are waiting to receive the Low Carbon Fuel Standard credits for renewable natural gas in storage. Mike anticipates we will be receiving \$46,500 in revenue from the latest sale to California. Nichole Lantau focused on updating retail rate revenue. We have generated our first Puget Sound Energy gas bill and we have a healthy net operating margin. Our year end forecast for debt service coverage is 1.27 and we expect cash flow to be better than budget. We ended July with 241 days cash on hand.

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

**COMMISSIONER DOUGLAS MILLER** - Commissioner Miller did not have a report.

**COMMISSIONER RANDY KNOWLES** - Commissioner Knowles did not have a report.

**ASSISTANT GENERAL MANAGER** - Gwyn Miller presented the current operational update.

- Current COVID-19 Update – Gwyn provided the board with highlights of the county COVID status.
  - Brandy Myers was present to discuss the current moratorium impacts. Staff is active with collection and communication efforts to minimize impacts. Without the continued efforts and COVID assistance provided, KPUD would be in worse shape. A summary of payment arrangements was provided with appreciation expressed for this program. A total of 357 arrangements were made between March and present, with a 64% settlement rate. Historic AR aging summary was presented. An explanation was provided for the different aging philosophy between 2018 and 2019. Overall, July 2020 total past due is average for the last 4 years. However, the over 90 days aging is concerning since it is nearly 30% above average. Over 90 days is where a large risk for unrecoverable resides. The risk is quantified and accounted for in the financials under customer service expenses. The fundamental issues have not changed, but we cannot continue to sustain the losses the proclamation requirements are contributing to for an extended period.

Commissioner Miller deferred the remainder of the reports section to follow the executive session due to timing.

**AGENDA ITEMS:**

**A. EXECUTIVE SESSIONS –**

- a. **PUMPED STORAGE PROJECT CONTRACTS** - Vice-President Miller called for an executive session at 3:35 p.m. per RCW 42.30.110(1)(i) noting that the session would last for one hour, for the purpose of discussing potential litigation surrounding pumped storage project contracts. Athan Tramountanas, KPUD legal counsel and Tom McDonald, KPUD water rights attorney were present via teleconference. The session ended at 4:34 p.m.

Commissioner Miller reopened the regular meeting at 4:36 p.m. No action was taken.

- b. **WASHINGTON STATE PARKS RAILS TO TRAILS** - Vice-President Miller called for an executive session until 5:00 p.m. for the purpose of discussing potential litigation surrounding the Washington State Parks Rails to Trails access assessments. Athan Tramountanas, KPUD legal counsel, was present via teleconference. The session ended at 5:00 p.m.

Commissioner Miller reopened the regular meeting at 5:01 p.m. The board authorized staff to discuss rights-of-way issues with State Parks and bring back a draft agreement for their consideration.

**RCW 42.30.110 – Executive Session.** *Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting.*

**REPORTS:**

**ASSISTANT GENERAL MANAGER** - Gwyn Miller completed her operational update.

- Medical Plan Description - Gwyn presented the Public Utilities Risk Management Services self-insurance fund update. She will provide the board with a redline version of the medical changes. The significant changes are to the vision and dental plans. The updates are to bring us current with today's costs. Gwyn will discuss the changes further at a future meeting.
- Wellness Program - Our annual employee Health Fair blood draw will be September 21 and 22. Klickitat Valley Health has agreed to hold this on site for our employees. Pre-registration is required to participate and each registered family will be provided with an appointment time. The draws will take place in the big meeting room. Anyone on our insurance plan is eligible. Gwyn discussed potential incentive options to increase the participation. With the current Covid-19 situation she stressed the need for employees to stay vigilant with their health. She asked the board to consider a one-time HRA/VEBA contribution to each employee who participates in order to incentivize participation. **MOTION** was made by Commission Knowles to approve the one-time \$500.00 VEBA contribution for employees who participate in the blood draw event. Motion carried.

**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)

General Manager Jim Smith did not have any additional items to report.

**Adjourned** - There being no further business, the meeting adjourned at 5:35 p.m.

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/S/  
Dan G. Gunkel, President

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/S/  
Douglas B. Miller, Vice President

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/S/  
Randy L. Knowles, Secretary  
Date Approved: September 8, 2020

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/s/  
Luann Mata, Executive Assistant