

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, January 24, 2023
2:00pm

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

PRESENT: Dan G. Gunkel - Vice President and Douglas B. Miller - Secretary

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, Brandon Johnson - Engineering Manager, Cara Smith - Accountant Clerk, Sharon Blodgett - Water/Wastewater Coordinator, Brandon Walter - Water/Wastewater Superintendent, Mike Nixon - Operations Manager, Jeff Thayer - Materials Manger, Mark Garner - Engineering Supervisor, Anita Clever - Energy Services Specialist, and Luann Mata - Executive Assistant.

Via teleconference: Brandy Myers - Customer and Accounting Services Manager, Patrick Carroll - IT Contractor, Geoffrey Lacefield - System Engineer, and Courtney Collins - Engineering Support Assistant.

GUESTS: None

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

MINUTES: **MOTION** was made by Commissioner Miller to approve the January 10, 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 24th day of January, 2023.

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

- Accounts Payable Voucher Nos. 215331 through 215451 in the total amount of \$1,836,711.15; Electronic Funds Transfer (EFT) transaction Nos. 421 through 426 and Wire and Automated Clearing House (ACH) transaction Nos. 8801741 through 8801745 in the total amount of \$3,685,759.98 for the period ending January 24, 2023; and
- Payroll ACH Direct Deposit Payroll transactions 210926 through 211019 in the total amount of \$237,724.78 for the payroll period ending January 15, 2023. Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Water Wastewater Report - Sharon Blodgett and Brandon Walter presented the department report for December. We received the Landfill Gas Improvement Fund reimbursement in December for the Glenwood water system project and the Yakama Nation has approved a ten-year water rights lease for Glenwood and indicated an increase in approved connections. Commissioner Gunkel asked if the jurisdiction was bifurcated in Glenwood regarding water. As this appears to still be regulated by the State Department of Health (DOH), we are seeking clarification from DOH on that. Commissioner Gunkel asked staff to evaluate any answers from DOH against what staff feels is best to meet community and system needs. The SCADA reporting

system for the Glenwood water system has been instrumental in helping staff locate leaks and minimizing customer financial repercussions for high water bills due to leak issues during the recent cold weather. Funding opportunities are being sought to assist water and wastewater systems with improvements. Sharon thanked Phillip McMillin for his assistance adding a leak level layer to our mapping system, which also assists with the grant application process.

Brandon Walter informed the board that at this time, the Water Wastewater department will not participate in the Automated Metering Infrastructure project. It was determined that since the life expectancy of the current radio read meters is 10 years, and we are seven years into that lifecycle, we could move forward with AMI when it's time to order replacement meters for those water systems. We have a walk-thru scheduled on February 8 with the Dallesport community to review the current wastewater system conditions. Brandon will bring back an update.

John Tallman has passed his water and wastewater certification requirements.

Operations Report - Mike Nixon presented the department report for November and December. We did not meet our 2022 reliability goals. The goal for 2023 is 99.971. We have hired three pre-apprentices; two work from Goldendale and one in White Salmon. With current weather conditions, customer work has decreased significantly, so crews in Goldendale and White Salmon are focused on maintenance.

The contracted tree crews will be transitioning to the Trout Lake corridor when weather permits. Commissioner Miller asked how many miles are expected to be completed under the 2023 contract. Mike expects to complete 160 to 180 miles. The snowcat training has been completed and the equipment is in service. CPR training was completed in December.

Engineering Report - Brandon Johnson presented the department report for December. The meter shop is inspecting 3S and 5S meters and replacing any damaged equipment found. Jim Brokaw is also inspecting hazard locations received from customer service and field staff. Hazard locations consist of meters located inside a home or when something has been built around them. These activities are in preparation for the Automated Metering Infrastructure project. We expect meters delivered in June and communication equipment in August. This project will also require contracting with an electrician to complete customer-side meter base work if needed.

The Trout Lake substation property purchase closed on January 17.

Underground requirements policy update is ongoing. The largest consideration is being given to materials and the impacts this change will have with the supply chain challenges we have been working with. Engineering staff is actively speaking with customers, contractors and electricians regarding these changes.

We will need to take an outage on the White Creek substation to complete Western Electricity Coordinating Council (WECC) testing of the 230kV switch operations. We have requested an extension, to meet the new requirements. If WECC does not grant an extension, an outage will be required prior to March 7. This outage would impact Roosevelt and the Renewable Natural Gas facility.

The staking engineers are focused on material needs for the coming construction season. Stakers also assisted with line patrol during inclement weather and we are currently evaluating the loading reports received during the cold snap to evaluate system capacity in several areas throughout the system. There is a follow-up meeting for the Alderdale area on February 3. An update will be provided within the February report.

COMMISSIONER RANDY KNOWLES - Commissioner Knowles was absent from this meeting.

COMMISSIONER DAN GUNKEL - Commissioner Gunkel will attend the Energy Northwest Board of Directors meeting tomorrow. There are three open positions that will be voted on at this meeting.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller will attend the Klickitat County EDA Board meeting tonight and will attend the Washington Public Utility District Association's hosted Day on the Hill in February.

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

- Operational Update:
 - **Energy Northwest Internship Program** - This program is expanding beyond Washington Universities. We believe this is a beneficial program to support and plan to continue to participate. By participating, we have the ability to influence the curriculum, provide exposure and knowledge.
 - **Utility Asset Security** - We are currently evaluating security options for all utility assets. Areas of focus are visual security for buildings and warehouse areas along with evaluating a change in door locks and pad locks for all facilities. Gwyn will provide an update on findings in February.
 - **Customer Equipment Insurance Claims** - We have seen an increase in customer claims over the past few years. With the sensitivity of household appliances, it is time to revisit our administration of these claim requests. Gwyn will provide an update on findings in February.

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:

- **HB 1427 Net Metering bill review** - Jim discussed that this proposed bill would increase the net meter percentage requirements from the current 4% to 12% of the 1996 total revenue. In addition, any surplus income received must be added to low-income programs.
- **Legislative update** - Jim attended and provided testimony for several bills last week.
- **BPA post 2028 contract** - Jim and Mike DeMott discussed meetings that are being held and discussed the utility's needs and market exposure. The goal is to get our full current loads to be served under BPA's Tier 1 preference customer rate, as it will reduce our volatility within the market exposure. Jim said this will not happen, but it is our goal. Year-to-date we are still within budget due to Mike's continued hedging efforts, increased generation from White Creek Wind and excellent reliability at RNG. Unhedged exposure continues to hold potential significant financial impacts. We are approximately 60% over our high water mark allowance at this time.

AGENDA ITEMS:

- A. **PREQUALIFICATION OF CONTRACTOR: MOTION** was made by Commissioner Miller to approve the annual works roster as presented. Motion carried.
- B. **PREQUALIFICATION OF PROFESSIONAL SERVICES CONSULTANTS: MOTION** was made by Commissioner Miller to approve the Professional Services roster for 2023 as presented. Motion carried.

