

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
**Tuesday, February 14, 2023**  
**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, Brandon Johnson - Engineering Manager, Cara Smith - Accountant Clerk, Mike DeMott - Director of Finance and Power Management, Kevin Ricks - Renewable Energy Assets Manager, Jeff Thayer - Materials Manger, and Luann Mata - Executive Assistant.

Via teleconference: Mark Garner - Engineering Supervisor, Brandon Walter - Water/Wastewater Superintendent, Mike Nixon - Operations Manager, Brandy Myers - Customer and Accounting Services Manager, Patrick Carroll - IT Contractor, 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 January 24, 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 14<sup>th</sup> day of February, 2023.

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

- Accounts Payable Voucher Nos. 215452 through 215606 in the total amount of \$1,627,349.15; Electronic Funds Transfer (EFT) transaction Nos. 427 through 431 and Wire and Automated Clearing House (ACH) transaction Nos. 8801746 through 8801756 in the total amount of \$2,496,547.50 for the period ending February 14, 2023; and
- Payroll ACH Direct Deposit Payroll transactions 211020 through 211108 in the total amount of \$248,939.37 for the payroll period ending January 29, 2023. Motion carried.

**PUBLIC COMMENTS:** None

**REPORTS:**

**Renewable Energy Assets Report** - Kevin Ricks presented the department report for January. The gas production for the month was 147,641 Dekatherms with a 99.2% reliability factor. One unplanned outage yielded 1,646 DTH of production loss. Kevin reviewed system projects completed during the month. We have refiled the Department of Revenue appeal letter. May 30, 2023 is our hearing date. There are Renewable Natural Gas related bills working their way through the legislature right now and Dave Warren, Jim and Kevin are monitoring these bills. We are actively seeking a site supervisor. This position opened up with the resignation of Jonah Humphreys on January 21. The crew continues to move forward and manage

production. Commissioner Knowles requested an update on the vibration analysis project. We have received the equipment in December and Daniel Bartholomew will be attending off site training from the manufacturer so he can come back and fully execute the training program with staff.

**Finance and Power Management Report** - Mike DeMott presented the department report for February. 2023 Mid-C forward power and Sumas gas prices were reviewed and compared to the last report. The Superpeak election yielded benefits in 2022 and is demonstrating a positive impact for 2023. These benefits were significantly driven by cold weather, which resulted in KPUD records for December and January peak energy use. Commissioner Knowles asked if the peaks were steeper or lasting longer. The peaks are steep and relatively short-lived. Commissioner Gunkel inquired about electric vehicle impacts. The impacts are currently unknown, but the automated metering infrastructure will go a long way in providing vital data to assist staff with assessing the needs of the system for future planning. We are actively working with one customer who has a large EV in our AMI pilot program. The January hedges reflected net positive outcomes. Additional hedges executed since the last report were reviewed. We continue to look for additional hedging opportunities.

Mike reviewed the BPA Post 2028 schedule and current proposals under BPA consideration for establishment of future Tier 1 allocations. Scenarios were reviewed showing what this exposure could be under each proposal given load growth assumptions. Mike will continue to participate in discussions as the Post 2028 process moves forward.

At the last meeting, Commissioner Gunkel inquired about the BPA Rock Creek substation reliability the information. Mike reviewed information received to date and engineering will engage for further evaluation and report back to the commissioners.

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

**COMMISSIONER DAN GUNKEL** - Commissioner Gunkel provided an Energy Northwest Executive Board election update.

**COMMISSIONER DOUGLAS MILLER** - Commissioner Miller plans to attend the Washington Public Utility District Association's Day on the Hill February 16.

**ASSISTANT GENERAL MANAGER** - Gwyn Miller will provide an update at the February 28, 2023 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:

- **Bonneville Power Administration Post 2028 Contracts** - Mike DeMott and Jim both spoke about the fundamental questions related to the Post 2028 contract discussions. The Public Power Council and Northwest Requirements Utilities have focused significant time evaluating utility needs. They have both provided proposals to BPA for review. Commissioner Knowles asked what would happen to rates if BPA did not return the surplus revenues to its customers. Jim stated that surplus revenue disbursements are also a discussion topic. The goal is to keep the value within the region.
- **MA Collins** - The construction bid package is complete. However, by the time we advertise, send out packages, open and review sealed bids as required by RCW and finally award, we are at least 6 weeks away from hiring a contractor. Staff is requesting that the board support waiving the competitive bidding requirements to reduce the risk of a delay in serving established load during

the 2023 summer irrigation season per RCW 39.04.280. If approved staff will bring back the award evaluations.

**MOTION** was made by Commissioner Gunkel to waive the competitive bidding requirements for the MA Collins Substation Construction per RCW 39.04.280 as the process (a) Presents a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property. Motion carried.

- Dallesport WW plant tour - Brandon Walter met with the Dallesport Community Deliberation Assembly and toured the Dallesport Wastewater plant. Some in the community have expressed interest in taking over operations of this system. Brandon felt that the individuals in attendance asked good questions. The community has requested another tour and Brandon will update the board as these meetings happen.
- Customer Meetings - We are currently reaching out to Water and Wastewater communities to schedule meetings in March, April, and May prior to the Water/ Wastewater Rate hearings. Jim reviewed a list of potential community meetings and staff will follow up with a confirmed meeting calendar.
- John Miller - reached out with questions regarding county planning department long range planning for the potential influx of new construction. He has posed his question to Lori Zoller as well. Jim has referred his information to the Engineering department.
- Grant funding - We have provided the Trout Lake Community Council a letter of support for grant funding applications. The letter expresses utility support for the applications, but is not a commitment to providing any funding towards these requests.
- Employee luncheon - The employee luncheon is scheduled for March 14 at 12:30 p.m. There are seven new employees who will be in attendance.
- Supply Chain Update - Jeff Thayer discussed current supply chain status and inventory updates. He also wanted to make the board aware that due to the continued supply chain challenges he will be bringing back an updated resolution to request that we continue to operate under the declaration for emergency purchasing. He also stated that he has ordered the vehicles slated for purchase this year; however, we purchased two under dealership contracts, as they were not available under the state bid contract.
- Jim provided an update on current legislative bills.

#### **AGENDA ITEMS:**

- A. PREQUALIFICATION OF CONTRACTORS: **MOTION** was made by Commissioner Gunkel to approve the addition to the annual works roster as presented. Motion carried.
- B. PREQUALIFICATION OF PROFESSIONAL SERVICES CONSULTANTS: **MOTION** was made by Commissioner Miller to approve the additions to the Professional Services roster for 2023 as presented. Motion carried.
- C. BID AWARD EE CLOUSE TAPERED STEEL: **MOTION** was made by Commissioner Gunkel to award the EE Clouse Tapered Steel Bid to Klute, Inc. in the amount of \$311,041.55 for Schedule A and \$105,850.17 for Schedule B per staff recommendations. Motion carried.
- D. POLICY 26 KPUD LOGO WEAR REVISION: **MOTION** was made by Commissioner Miller to approve the revisions to Policy 26 KPUD Logo Wear as presented. Motion carried.

E. RESOLUTION 1831 ISSUANCE OF CREDIT CARDS: MOTION was made by Commissioner Miller to adopt Resolution 1831 issuing business credit cards to John Starr, Justen Greenwood, and Brandon Walter; rescinding credit card authorization to Jonah Humphreys upon separation. Motion carried.

F. EXECUTIVE SESSION- REVIEW OF A PUBLIC EMPLOYEE per RCW 42.30.110 (1)(g). President Knowles called for an Executive Session at 3:18 p.m. per RCW 42.30.110 (1)(g) noting the session would last until 4:00 p.m. At 4:00 p.m. Commissioner Knowles requested an extension of the executive session until 5:00 p.m. The session ended at 5:00 p.m. No action was taken.

**Adjourned** - There being no further business, the meeting adjourned at 5:01 p.m.

/S/  
Randy L. Knowles, President

/S/  
Dan G. Gunkel, Vice President

/S/  
Douglas B. Miller, Secretary  
Date Approved: February 28, 2023

/s/  
Luann Mata, Executive Assistant