

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, September 25, 2018
2:00pm

CALL TO ORDER: President Knowles called the meeting to order at 2:00 pm as advertised.

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

STAFF PRESENT: Jim Smith- General Manager, Mike DeMott- Power Manager, Mark Pritchard-Operations Manager, Ron Schultz, Engineering Manager, Kevin Ricks- Generation Assets and Special Projects Manager, Eileen Kelsey–Accounting Clerk Trainee, Brandon Walter-Lead Water/WW Operator, Gwyn Miller, Nichole Lantau- Accountant, Sharon Blodgett- W-WW Coordinator, and Luann Mata- Executive Assistant.

GUESTS: Larry Bakken

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

MINUTES: **MOTION** was made by Commissioner Miller to approve the September 11, 2018 meeting minutes. Motion carried.

CLAIMS & PAYROLL: Presented by Eileen Kelsey. 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 25th day of September, 2018.

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

- Accounts Payable Voucher numbers 113826 through 113960 in the total amount of \$1,171,099.13 and Wires, ACH and EFT numbers 8801027 through 8801036 in the total amount of \$1,824,416.30 for the period ending September 25, 2018; and
- Payroll Warrant numbers 43373 and ACH Direct Deposit Payroll transactions 9920315 through 9920400 in the total amount of \$186,539.99 for the payroll period ending September 16, 2018.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Water Wastewater Report– Sharon Blodgett, Brandon Walter, and Russ Patton discussed a development proposal received from the County that is for a “mobile home park” that consists of 40 tiny homes on their property. The proposed development is located in Glenwood. We have not received a formal request from the property owner yet. Currently we have three classifications of service for water connections. They are residential, recreational vehicle (RV), and mobile homes. The tiny homes could fall under any of these classifications depending on their installation or use. The county references the structures as mobile homes within the notification. Discussion ensued on what defines RV classification verses a mobile home classification, the monetary impact that each classification would have on the customer, as well as the impact to the system. At the end of the discussion, the Board wanted further review, requesting a copy of the County’s information packet and a copy of our current policy. The Board also asked staff to bring this back to discuss at a future commission meeting. At this time, if we receive a customer request for a

connection for this type of development, the customer will be provided with the costs associated with the installation as a mobile home park with the understanding that the current policy is under review.

Operations Report– Mark Pritchard provided the department update for August.

The Outage statistics have not changed much in the last month. In August we had two main incidents one was a vehicle contacting a phone line. The phone line broke and wrapped around a three-phase electrical line. The second item was equipment failure. As the Industrial Fire Precaution Level has reduced, we have scheduled Asplundh to return to complete their 2018 contract work starting October 1st 2018.

Crews-The Goldendale crew has been spreading their time between customer work and pole replacements identified during the pole inspections this summer. The White Salmon crew is focused on customer work. The Construction crew has been assisting with power installation at the Renewable Natural Gas (RNG) project, working on the underground replacement on 21st Street and Simcoe Drive, and completing maintenance work associated with issues found while completing line patrol in the Darland and Maryhill areas.

Engineering Report– Ron Schultz provided the department update for August. Bonneville Power (BPA) - The BPA outage at the Spearfish substation went well. The metershop completed their work in the Spearfish substation and found one additional switch that will require repair in the future. We are continuing to work with BPA on the large load customer request in Dallesport, as there are potential infrastructure requirements.

The metershop staff is completing work at RNG this week. The electrical requirements are almost complete. Wireman interviews were conducted yesterday. Engineering and Metershop staff are still evaluating coordination issues in the Darland Substation. Mark and Joli are working with the vendors on NISC conversion integration.

COMMISSIONER DAN GUNKEL – Commission Gunkel stated he would be attending the Economic Development Administration board meeting Thursday.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller did not have a report

COMMISSIONER RANDY KNOWLES – Commissioner Knowles did not have a report.

GENERAL MANAGER – The complete report can be found at:

http://www.klickitatpud.com/topicalMenu/commissioners/GM_Reports.aspx

In addition to the written report, Mr. Smith presented the following information:

1. L&I appeal status- We have appealed the Washington State Labor and Industries (L&I) determination on the contact injury from June 29th. After conducting our internal evaluation of the incident, we did not feel L&I applied the correct standard. The Citation was for not wearing rubber gloves in making or breaking a connection on the faulted cable. The lineman was not on the faulted cable, but was preparing the equipment to test the cable, the equipment was inadvertently turned on and the lineman received the high voltage contact when plugging the test probe into the test equipment not the faulted cable. The appeal was filed on August 24th and is pending L&I's response.
2. Auditor Entrance interview- The Auditors have been here for a week and are scheduled to conclude their evaluation this week. Everything is moving ahead as expected. The RNG major vendor purchasing resolutions will be included in this review.
3. Bickleton DNR Lease- Sharon is working with DNR to obtain a permanent land lease for the property associated with the Bickleton Well. The original document stipulated a 10-year lease that did not have any renewal language

associated with it. Sharon will provide an update when there is something to report.

AGENDA ITEMS:

- A. **RESOLUTION 1766 Low Income Elderly Rate:** in 2017 / 18, the program assisted 330 seniors receiving a combined total of \$61,200, which was reflected as a bill credit to those qualifying customers. After discussion regarding continuing the current triggers and discounts, **MOTION** was made by Commissioner Miller to adopt Resolution No. 1766, thereby authorizing continuation of the District's Low Income Elderly Rate (Senior Discount) Program, with no changes to the income guidelines, with a target of \$65,000 annually, effective on billings issued December 2018 through May 2019. Income verification and eligibility will be completed by Klickitat County Senior Services staff, which has provided this service in prior years. Motion Carried. The Board then directed staff to research options into how we might apply a cap to annual credits for consideration next year.
- B. **PREQUALIFICATION OF PROFESSIONAL SERVICES CONSULTANTS:** **MOTION** was made by Commissioner Gunkel to approve the addition of H&H Solutions and agree to add them to the Professional Services Consultants Roster for the 2018 period. Motion Carried.
- C. **POLICY 9-FINANCIAL PLAN REVIEW:** Mike DeMott reported that staff has initiated the annual review of Policy 9. Policy metrics such as Debt Service Coverage Ratio (DSC), day's cash on hand, and liquidity were all discussed. Staff verified that the DSC and Days Cash on Hand reporting on the monthly financial statements is based upon the year-end forecasted figures, which includes actual costs incurred through that period and forecasted costs for months remaining in the year. Discussion related to Policy 9 and future KPUD Financial metrics will continue at our Strategic Planning meeting and staff will present an updated policy at a future meeting.
- D. **RNG UPDATE:** Kevin Ricks provided an update on the RNG project. The project is moving towards completion. PTI, our electrical contractor, has increased their staff to 18. With the additional PTI staff, the Construction crew, and the Metershop collaborating on the electrical installation, we anticipate construction completion within the next few weeks. Morrow and BCKK are on site. We expect commissioning later this week and anticipate startup to commence the first or second week of October. The RNG Crew is very motivated and excited about the project nearing completion. There are no large roadblocks at this time. As we near completion, Kevin will continue to update the board on a regular basis.
- E. **WALKLEY SCHOLARSHIP NOMINEE DRAWING:** The board selected Christopher Erick Evans as Klickitat PUD's nominee for the Walkley Scholarship.

Adjourned – There being no further business, the meeting adjourned at 4:33 p.m.

/S/
Randy L. Knowles, President

Dan G. Gunkel, Vice President

/S/
Douglas B. Miller, Secretary
Date Approved: October 09, 2018

/s/
Luann Mata, Executive Assistant