

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, February 13, 2024
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, Mike DeMott - Director of Finance and Power Management, Kevin Ricks - Renewable Energy Assets Manager, Brandon Johnson - Engineering Manager, Anita Clever - Energy Services Specialist and Cara Smith - Accounting Clerk

VIA-TELECONFERENCE: Alex Casimiro - RNG Support Assistant, Cynthia Bruce - Accounting Supervisor, Patrick Carroll - Contractor, Sarah Honkala - Accountant, Brandy Myers - Customer and Accounting Services Manager, Mike Nixon - Operations Manager, Seth Jones - Buyer, Brandon Walter - Water/Wastewater Superintendent, Jim Brokaw - Metershop Superintendent, Luann Mata - Executive Assistant, and April Greenlaw - Operations Administrative 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 23, 2024 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 13th day of February, 2024.

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

- Accounts Payable Voucher Nos. 218547 through 218686 in the total amount of \$811,329.08; Electronic Funds Transfer (EFT) transaction Nos. 561 through 568 and Wire and Automated Clearing House (ACH) Nos. 8801914 through 8801922 in the total amount of \$2,207,168.29 for the period ending February 13, 2024; and
- Payroll ACH Direct Deposit Payroll transactions 213436 through 213520 in the total amount of \$335,257.80 for the payroll period ending January 28, 2024.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Renewable Energy Assets Report - Kevin Ricks presented the department report for January. January production was 124,331 dth's. There were two forced outages. With the two outages, January's reliability factor was 97.6%. Production has been up and even with the outages production was almost back to budget by the end of the month. So far, February production is about 5,000 dth's per day.

Staff is continuing evaluations of small hydro-power project options and we are continuing the acquisition of the air operating permit to utilize the combustion turbines for peaking capability if that proves economic. Kevin also reviewed the status of the McNary stair issues.

Finance and Power Management Update - Mike DeMott presented the February report. 2024 Mid-C pricing versus budget was reviewed. January prices settled at roughly \$249 on peak and \$180 off peak. The Energy Authority (TEA) gathered forward price curve information across the US. The Pacific Northwest's peaks are near the top of both charts provided. KPUD set a record high load of 105MW on January 16th. The BPA system load was a record high on January 13th. It is also important to note that wind and solar provided no contribution to the area during the times the loads peaked. KPUD remains at #9 on our utility residential rate comparison list with Skamania PUD moving to #1. Mike also reported that several utilities have increased irrigation rates at much higher percentage increases than KPUD implemented for 2024. A hedge was executed for HLH August to sell 3MW at a price of \$205.

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

COMMISSIONER DAN GUNKEL - Commissioner Gunkel did not have report.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller stated he would not be attending the Washington PUD Association meetings next week. He extended his thanks for Jonathan Angeles for his computer assistance and discussed a few articles he had reviewed. Lastly, he mentioned that he had a discussion with a customer regarding the Advanced Meter Infrastructure project.

ASSISTANT GENERAL MANAGER - Gwyn Miller thanked Commissioner Miller for recognizing the effort of the IT department. The IT department is heavily involved with cyber security efforts. We have chosen to implement a new product to continue to advance our cyber security, which is already more comprehensive than most of the Public Utility Risk Management Services (PURMS) members.

PURMS will be sending surveys and completing facility inspections for our water, wastewater, and substation facilities. This is a regular event which occurs every few years, but has been moved up with the change in vendors.

The operations, payroll and accounting departments have submitted information for a preliminary FEMA event evaluation. Gwyn reviewed items from the cold weather and storm outages during January.

We will schedule a new employee luncheon for the end of March.

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:

MA Collins Meeting - Commissioner Gunkel provided his insight to the meeting that was held in Alderdale a few weeks ago regarding the agricultural situations leading to the increased bird population and potential remedies to the electric system issues created by the birds. Staff will bring this back for future discussion.

WPUA Annual Meeting - The meeting is scheduled for April 17-19 at Skamania Lodge. This meeting had taken place in December for years, but will be held in April from now on to avoid the winter storm season. Commissioner Knowles plans to attend.

AGENDA ITEMS:

- A. **REJECT ALL BIDS AND REBID- DOCK CREW BID 2024 THROUGH 2025 - MOTION** was made by Commissioner Gunkel to reject all bids received

February 8, 2024. Motion Carried.

MOTION made by Commissioner Gunkel to approve the Call for Bid, Dock Crew 2024 through 2025; with bids received until 2:00 p.m. March 5, 2024. Motion carried.

B. CONSERVATION LOAN AND VENDOR DEPOSIT CONTINGENCY DISCUSSION -

Anita Clever presented a discussion about the developing issue from vendors that are requesting upfront deposits when doing low income projects in coordination with PUD and rebate funds. This would require us to obtain security in the form of a bond to protect our customers from having to absorb these costs if the vendor does not deliver. Another option discussed was requiring the customer to allow for a lien against their property as an additional layer of protection from liability. Even then, the PUD could only recoup its costs if the project were not completed if the property were sold and the funds would come from the homeowner, not the vendor. After discussion and clarification, the Board advised staff that the PUD will not provide up-front reimbursement or deposits to customers or vendors. These are issues between a homeowner and their contractor.

C. CALL FOR BID – EE CLOUSE SUBSTATION EXPANSION PROJECT -

MOTION was made by Commissioner Miller to approve the Call for Bid, EE Clouse Substation Expansion Project Schedule A and Schedule B.; with bids received until 2:00 p.m. March 21, 2024. Motion carried.

Adjourned - There being no further business, the meeting adjourned at 3:21 p.m.

Randy L. Knowles, President

Dan G. Gunkel, Vice President

Douglas B. Miller, Secretary
Date Approved: _____

Luann Mata, Executive Assistant