

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, July 28, 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, Douglas B. Miller - Vice President, and Randy L. Knowles - Secretary

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, Mike DeMott- Director of Finance and Power Management, and Luann Mata - Executive Assistant.

Via teleconference: Mark Pritchard - Operations Manager, Cynthia Bruce - AP/Accounting Clerk, Jeff Thayer - Materials Manager, Sharon Blodgett - Water/Wastewater Coordinator, Brandy Myers - Customer Service Supervisor, Beth Schroder - Accountant, Kevin Ricks - Renewable Energy Assets Manager, Ron Schultz - Engineering Manager, and April Greenlaw - Operations Support Assistant.

GUESTS: Public was present on the phone, but did not announce themselves.

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

MINUTES: **MOTION** was made by Commissioner Knowles to approve the July 14, 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 28th day of July, 2020.

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

- Accounts Payable Voucher Nos. 207885 through 207886, and 207888 through 207987 in the total amount of \$1,228,795.19; Wire and Automated Clearing House (ACH) transaction Nos. 8801347 through 8801349, along with Electronic Funds Transfer (EFT) transaction Nos. 151 through 158 in the total amount of \$1,241,146.09 for the period ending July 28, 2020; and
- Payroll Warrant Nos. 207887 along with ACH Direct Deposit Payroll transactions 205263 through 205348 in the total amount of \$205,311.87 for the payroll period ending July 19, 2020.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Water Wastewater Update – Sharon Blodgett presented the Water-Wastewater report for June. Tegart Ent. is working in Wishram to finalize the installation of the radio read meters. Our Wishram water system approved connects has been increased to 478 as a result of the completion of the new Smith well. This increase reduces the impact the proposed housing development may have put on the system. Staff will energize the water lines within the development to ensure that if any damage occurs during construction it would be noticed immediately. Commissioner Miller also

stated that staff should flush the manholes once the project is complete to check for impacts on the wastewater system as well. There are sufficient wastewater connections for the current proposal.

Sterling and Wilson will complete the hydrant fill application and pay the associated fees. Their anticipated start date is August 10. We have ordered a hydrant meter to monitor this consumption. Our capacity available under our water rights is 60,000 gallons per day from Roosevelt. The customer will be charged for usage and meter rental.

Summit Excavation damaged a water main while working on the Glenwood road project. Locates were completed, but the locations on our maps were not correct.

Renewable Energy Asset Update – Kevin Ricks presented the report for May and June. He discussed the RNG production and plant proficiency. He has revised his reporting and provided charts that track efficiency. Commissioner Gunkel requested Kevin to provide a plant capacity factor number that reflects the true output of the plant relative to 5,000 MMBtu per day. Kevin will include capacity factor in his next report. So far, the new well project has increased output by 200 to 300 dekatherms per day. We have not yet completed bringing on all six wells.

Operations Update – Mark Pritchard discussed June's reliability and updating reporting display. We have seen an increase in larger backbone developments. We have been exchanging apprentices between service territories so they get rounded experience and knowledge of the entire area. The state has increased the fire hazard rating so the clearance crews have moved into town. There is a crew in Bingen, White Salmon, and Goldendale. We have also begun to use our mechanical row mulching machine. However, with the fire hazard increase we will cease operation on Friday. Beth Schroder has pictures of this equipment in operation and is preparing a Ruralite article. To follow up after the mulcher we plan to increase our spray program budget for 2021. Mark stated that the Wildfire Taskforce subcommittee he is working on is almost ready to turn over their recommendations to the main Task Force. There was a small safety meeting held at the warehouse in June. Line crews gathered outside of the Goldendale pole yard and John Spain conducted the meeting.

Engineering Update – Ron Schultz presented the Engineering report for July. The Harvest Wind transformer has another leak, caused by a gasket damaged during installation. We will wait until the wind dies down and schedule work in the fall when the cap switchers arrive.

We are working with Benton on a loop feed to RNG. We still plan to complete the Sonova switch and Six Prong substation by 2022. Once this transmission line is established then we only have a 7- to 8-mile gap to complete the loop to RNG. MA Collins substation is near capacity during the summer even with the portable substation on line. With the construction of the Sonova and Six Prong projects we will be able to remove the portable and have the ability to manage load growth.

Our long-range plan for White Salmon is to break Bingen into multiple circuits. With the additional load at Underwood Fruit, we need to establish the ability to isolate sections in Bingen to allow the ability to reenergize areas during outages.

Ron also discussed his schedule and his staff development plan.

June Financial Update – Mike DeMott presented the June financial report. YTD results for retail revenue are close to budget for most rate classes. Year-end forecast for commercial rate classes continues to reflect a 3% reduction related to COVID-19 impacts. Industrial revenue continues to exceed budget due to the additional customer. Street light revenue is being allocated across rate classes so while results compared to budget look to be lacking, revenue is being captured as expected. RNG expected volumes and expectations of sale of gas in storage have been updated and discussed with the board. White Creek Wind generation revenue forecasted results have been updated as high generation continues to be sold at times of lower

wholesale power prices. Miscellaneous income forecast reflects impacts due to the COVID-19 disconnect moratorium and reduction in interest rates applied to cash balances. We will see a reduction in our Bonneville Power Administration purchased power costs through the end of the year as the Financial Policy Reserves surcharge has been suspended.

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

COMMISSIONER DOUGLAS MILLER - Commissioner Miller participated in the Department of Ecology water banking meeting.

COMMISSIONER RANDY KNOWLES - Commissioner Knowles thanked staff for their thoughts on the loss of his family member.

ASSISTANT GENERAL MANAGER - Gwyn Miller presented the current operational update. She provided an overview of current COVID-19 updates. On July 2, the county was eligible to moving into Phase 3, but the state was placed on a pause, until July 28. Today the pause was extended further due to the statewide metrics not being met. Facemask requirements have also been increased to extend to all public areas. Now that we are headed into fall we need to be aware of flu season; these symptoms are the same for COVID-19, so we will be heightening our awareness efforts. Gwyn also stated that she continues to pursue wellness testing for employees. Gwyn and Commissioner Knowles will discuss the Public Utilities Risk Management Services updates.

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:

Jim Smith discussed that our August 28 strategic planning session will be held in our meeting room. With space limitations, we might need to be creative with attendance and the meeting format. More information will be provided at our next meeting.

John Kounts is retiring from the Washington Public Utility District Association Water Board. With his retirement, the water board will have a need. Commissioner Miller offered to work with WPUDA on the process for finding a replacement.

AGENDA ITEMS:

- A. **CALL FOR BID- CIC CONDUCTOR** - **MOTION** was made by Commissioner Knowles to authorize the Call for Bid of CIC Conductor. Motion carried.
- B. **PRODUCTION ASSET FINANCIAL ANALYSIS** - Mike DeMott presented financial analysis of the financial contribution made to KPUD from our various production assets.
- C. **EXECUTIVE SESSION:**

President Gunkel called for an executive session at 5:00 p.m. per RCW 42.30.110(1)(i) noting that the session would last for 30 minutes, for the purpose of discussing potential litigation surrounding Governor Inslee's proclamations. Athan Tramountanas, KPUD legal counsel was present via teleconference.

The group came out of session at 5:30 p.m. and publicly announced via teleconference that the session would be extended at 5:33 for 15 minutes. The session ended at 5:48 p.m. No action was taken.

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:

Adjourned - There being no further business, the meeting adjourned at 5:49 p.m.

 /S/
Dan G. Gunkel, President

 /S/
Douglas B. Miller, Vice President

 /S/
Randy L. Knowles, Secretary
Date Approved: August 11, 2020

 /s/
Luann Mata, Executive Assistant