

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, September 22, 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, Brandy Myers - Customer Service Supervisor, Anita Clever - Energy Services, and Luann Mata - Executive Assistant.

Via teleconference: Mark Pritchard - Operations Manager, Cynthia Bruce - AP/Accounting Clerk, Jim Moss - Auditor, Beth Schroder - Accountant, Ron Schultz - Engineering Manager, Kevin Ricks - Renewable Energy Assets Manager, April Greenlaw - Operations Support Assistant, Sharon Blodgett - Water-Wastewater Coordinator, Doug Senn, RNG Site Supervisor, and Nichole Lantau - Accountant.

GUESTS: Tom McDonald - Cascadia Law Group via teleconference

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

MINUTES: MOTION was made by Commissioner Knowles to approve the September 8, 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 22nd day of September, 2020.

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

- Accounts Payable Voucher Nos. 208293 through 208294, and 208296 through 208432 in the total amount of \$1,038,650.21; Wire and Automated Clearing House (ACH) transaction Nos. 8801366 through 8801369, along with Electronic Funds Transfer (EFT) transaction Nos. 168 through 173 in the total amount of \$1,990,533.90 for the period ending September 22, 2020; and
- Payroll Warrant No. 208295 along with ACH Direct Deposit Payroll transactions 205603 through 205689 in the total amount of \$221,564.50 for the payroll period ending September 13, 2020.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Water-Wastewater Report - Sharon Blodgett presented the report for September. Lyle is still experiencing PLC control issues. Our staff has exhausted all troubleshooting efforts. We have contacted OCD, who originally installed the equipment, and they will be onsite next week to evaluate the equipment. As a safeguard, water conservation will remain in effect.

The water purchased for dust abatement for the Lund Hill project continues to come from Bickleton. The hydrant meter shows that they are staying within the approved project guidelines. The original agreement was to pull water from Roosevelt, but was transferred to Bickleton due to low well static levels in the Roosevelt Well.

Sharon also stated that she has received a connection inquiry for Klickitat. This would be a large extension project and the customer was informed that it could take some time to complete once they are committed to moving forward. This potential extension would fall under the water system plan and coincide with our overall strategic plan. Other highlights this month are that M&M Excavating is working in Klickitat on the water line upgrade.

We have had a busy season with Department of Health. Water sampling requirements for most of the systems this year has included lead & copper sampling from residential homes. Sharon thanked the crew and the Metershop for their efforts in being flexible with the unexpected issues we have experienced in the process.

Operations Report - Mark Pritchard presented the report for September. He reviewed the monthly outage statistics and asked the board for guidance on the new dashboard style of reporting information. Commissioner Knowles liked the quick visuals used and asked if the outage map could display trending information as well. Mark stated it is still under development and he hopes to add a vegetation management and a planned versus unplanned outage layer as well. Commissioner Knowles also asked what had happened in Dallesport as it appeared to have the concentration of outages in August. Mark stated that they were from underground faults on direct buried primary wire. Staff is actively reviewing these issues and replacing the direct buried wire as circumstances arise.

Contract crews Northwest Line Clearance and Asplundh are still working within the cities due to fire restrictions on tree work. Northwest Line Clearance was moved from the Bingen/White Salmon area to Lyle due to restrictions the cities imposed regarding burn bans. They should transition back to White Salmon next week as restrictions have been lifted. Asplundh continues to work in Goldendale. Our pole-testing project is complete. The contractor was very efficient and they completed additional work within the allotted budget so we are now caught up on our pole testing. We have an option to renew this contract next year if needed.

Mark noted that he agreed with Jim's report on the Department of Natural Resources taskforce. We have continued to complete some safety training in small groups during COVID, John Spain will be getting us back on track with our standard training items, but will continue the small group instruction.

Engineering Report - Ron Schultz presented the report for September. He provided an update on pending substation projects and upcoming outages. He discussed the BPA negotiations on line restrictions on the Chenoweth transmission.

Russ Patton has designed a new breaker steel support for the switch structure at Husum substation. The Metershop has been busy completing Schweitzer training on the 651-field control devices that have the capability to detect high impedance faults. Staff will utilize Brown and Kaiser's evaluation in this process. We have submitted a purchase request for a spare station service transformer at RNG. This is critical infrastructure to ensure reliability for plant operation. Lastly, Phillip has developed new map layers adding BPA transmission lines and our transmission lines to our mapping system for reference.

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

COMMISSIONER DOUGLAS MILLER - Commissioner Miller did not have a report.

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

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

- Current COVID-19 Update - Gwyn provided the board with highlights of the county COVID status.
 - Gwyn reviewed the state's information dashboard. They have experienced substantial down time on this site in recent weeks. Commissioner Gunkel asked that staff stay informed of the proclamation updates and evaluate the states definition of "emergency".

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:

- Reliability Benton position paper – Jim provided the board with a copy of a position paper supplied by Benton PUD. The evaluation utilized the many studies done in our region over the past several years that demonstrated that the 100% clean requirements would expose utilities to a 10% loss of load reliability annually and could cost about \$20 billion per year. The commissioners asked staff to evaluate an approach and engage other groups such as Public Generating Pool and Washington Public Utility District Association to speak out on our behalf and provide input to legislators. The board feels there is no excuse for a 10% decrease in reliability.
- Lower Snake River dams - The board expressed their support that the dams are an important part of a balanced approach to reducing the carbon foot print in the region while maintaining environmental health, electric system reliability and a healthy economy. The board asked Jim to work with other utilities on this issue.
- Department of Natural Resources taskforce - Jim provided an overview of where he feels the taskforce will land on the report to the legislature. The board asked Jim to continue to work with the task force to influence the best outcome.
- Goldendale Energy Pumped Storage - The application to Federal Energy Regulatory Commission for the Goldendale Energy Pumped Storage project is meeting with opposition from the Yakama Nation and Columbia River Keepers. Commissioners advised staff to engage the chamber and the county in discussions providing economic feedback in support of the project.
- Legislative Update - Jim stated that he spoke with Dave Warren and the House has determined that this year's sessions will all be held virtually. The Senate has not released a position. Dave believes that clean energy legislation will continue to be a hot topic focus.

AGENDA ITEMS:

- A. CLIFFS WATER TRUST DISCUSSION – Tom McDonald participated in discussions on how we developed the Cliff Water System water right trust. Tom recommended that he work on developing a trust water right agreement with Ecology that reflects the specific issues and work that has been accomplished for this water right. Tom has provided Department of Ecology with a spreadsheet demonstrating how we have used this trust over the past 15 years. The commissioners reviewed the first draft of a trust agreement and asked that Tom submit it to Ecology for review, referencing that KPUD has not executed this document, but are looking for feedback.
- B. POLICY 25 - NET METERING REVISION ADOPTION - **MOTION** was made by Commissioner Knowles to approve Policy Bulletin 25 and supporting appendices as presented. Motion carried.
- C. BID AWARD - CABLE IN CONDUIT (CIC) - **MOTION** was made by

Commissioner Miller to award the Underground 15kV Cable, C.I.C. conductor to General Pacific in the estimated amount of \$105,900 excluding taxes. Motion carried.

D. RESOLUTION 1793 - ELECTRONIC SIGNATURE - **MOTION** was made by Commissioner Miller to approve Resolution 1793 authorizing staff and commissioners to utilize electronic signatures where appropriate and permitted by law. Motion carried

E. RESOLUTION 1794 - APPOINTMENT OF AUDITOR AND DEPUTY AUDITOR - **MOTION** was made by Commissioner Miller to approve the appointment of Beth Schroder to the position of Auditor and Nichole Lantau to the position of Deputy Auditor. Motion carried.

F. REVIEW OF DRAFT STRATEGIC PLAN - **MOTION** was made by Commissioner Miller to approve substantially in the form the 2020 Strategic plan as presented. Motion carried.

G. RESOLUTION 1795 - To acknowledge and appreciate Jim Moss for his 36 years of service to the utility. **MOTION** was made by Commissioner Knowles recognizing Jim's contributions to the utility. Motion carried.

Adjourned - There being no further business, the meeting adjourned at 4:50 p.m.

/S/
Dan G. Gunkel, President

/S/
Douglas B. Miller, Vice President

/S/
Randy L. Knowles, Secretary
Date Approved: October 13, 2020

/s/
Luann Mata, Executive Assistant