

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
**Tuesday, November 10, 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, and Luann Mata - Executive Assistant.

Via teleconference: Mark Pritchard - Operations Manager, Mike DeMott - Director of Finance and Power Management, Brandy Myers - Customer Service Supervisor, Cynthia Bruce - AP/Accounting Clerk, Beth Schroder - Accountant, Ron Schultz - Engineering Manager, Kevin Ricks - Renewable Energy Assets Manager, April Greenlaw - Operations Support Assistant, Sharon Blodgett - Water-Wastewater Coordinator, Mark Garner - Engineering Customer Supervisor, Brandon Johnson - Engineering Tech, Doug Senn - RNG Site Supervisor, Brandon Walter - WWW Lead Operator, and Russ Patton - Project Engineer.

**GUESTS:**

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

**MINUTES: MOTION** was made by Commissioner Miller to approve the October 27, 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 10<sup>th</sup> day of November, 2020.

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

- Accounts Payable Voucher Nos. 208806 through 208932 in the total amount of \$875,558.70; Wire and Automated Clearing House (ACH) transaction Nos. 8801382 through 8801385, along with Electronic Funds Transfer (EFT) transaction Nos. 183 through 185 in the total amount of \$125,987.59 for the period ending November 10, 2020; and
- Payroll Warrant No. 208805 along with ACH Direct Deposit Payroll transactions 205858 through 205939 in the total amount of \$211,644.53 for the payroll period ending October 25, 2020.

Motion carried.

**PUBLIC COMMENTS:** None

**AGENDA ITEMS:**

- A. GLENWOOD WATER SYSTEM: Water Rights and Approved Connections in Glenwood - Brandy Myers, Sharon Blodgett, Brandon Walter, and Russ Patton

discussed idle service accounts, available connections for the Glenwood water system and the original intent of standby fees. The Board asked that staff further investigate the implications of not maintaining standby fees before action is taken by the Board. Staff then discussed leak detection, capacity availability and the fact that Glenwood is a finite resource. Commissioners requested that staff complete some additional research on requirements for the Glenwood system. No action was taken.

- B. POLICY 18: Water Customer Service Update – Sharon discussed the additions to the policy. Commissioners asked that we remove section V. C. 1. b. **MOTION** was made by Commissioner Knowles to approve the policy as amended. Motion carried.

Commissioner Gunkel proposed that the Glenwood water system be treated as a finite source as per revised Policy 18. This means there are no further connections available until the water supply issues are resolved. He also proposed that staff may use “Moratorium” if deemed appropriate. The Board agreed.

### **REPORTS:**

**Power and Finance Update** - Mike DeMott presented the report for October. He discussed current forward market power pricing and reported on recently executed financial swaps for hedging power price risk. We have nearly completed the sale of RNG placed in storage. The results of these sales have positively influenced our forecasted year-end gas sales revenue.

The Bonneville Power Administration (BPA) “Super Peak” election was made for the BP-22 period as discussed during the previous board meeting. The election was made for all months with the exception of February and April as demand-related savings was not very likely for those periods. Per the Board’s request, Mike confirmed with The Energy Authority staff that those who will formally approve the power supply contract for TEA agree with the terms presented at our last meeting. Mike stated that the BPA post-2028 contract has been an ongoing topic of discussion with Northwest Requirements Utilities (NRU) with detailed work occurring at the working group level. Mike is an active participant in this group. They have submitted a letter to BPA in support of maintaining the Low Density Discount and Irrigation Rate Discount programs. BPA is planning to be in a position to potentially execute new contracts by the end of 2025.

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

**COMMISSIONER DOUGLAS MILLER** - Commissioner Miller discussed his thoughts on internet access challenges within the county. He also expressed his thanks for the crew’s community service installing the Chamber of Commerce reader board and that he plans to attend the Washington Public Utility Districts Association meetings next week.

**COMMISSIONER RANDY KNOWLES** - Commissioner Knowles stated that he attended the Public Utilities Risk Management Services (PURMS) executive committee meeting. He discussed the change in healthcare provider, and stated that the committee approved the estimated healthcare costs for 2021. He also noted that we were recognized for our cyber security efforts. He will serve another year as PURMS executive committee president. At the state level, we can expect a carbon tax and/or cap and trade bill coming in 2021 and it is likely that a capital gains tax is coming as well. The state’s budget numbers are better than forecasted. Lastly, Commissioner Knowles provided a brief SDS update.

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

- Current COVID-19 Update - Gwyn provided the Board with highlights of the county COVID-19 status.

- Gwyn stated that it is very likely that our future COVID-19 responses will follow federal guidance; with Oregon shutting down services, it is highly likely that our governor will follow a similar path.
  - There are conversations happening now at a state level regarding vaccine rollouts and who would be the first to receive vaccinations when they become available.
  - KPUD is not applying for Cares Act funding. Since our county received limited funding, we felt applying for Federal Emergency Management Agency (FEMA) reimbursement was a better alternative. Washington Public Utility Districts Association is petitioning the legislators to extend the Cares Act application period.
  - Our state annual audit is wrapping up; everything appears to have gone well even with the audit happening remotely.
  - Lastly, we have received notification from the union that a grievance was filed on one of our hiring processes.
- Medical Coverage - Gwyn also discussed that even though we (PURMS) are moving from First Choice Health/Providence Preferred to Aetna, our employees should not notice a difference in claims processing or plan approval costs. There will be some internal monitoring of our claims while Aetna works on contracting with providers within our network area. We are encouraging the continued use of the Teledoc services. Everyone will receive new cards and will need to make sure they provide these at time of service. Claims will be handled predominantly the same. The dental plan maximum will increase from \$2,000 to \$3,000.

**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)

Port of Klickitat - Jim spoke with the Port of Klickitat president Wayne Vineyard. We are completing an extension to the current operations, maintenance and billing contract to allow us time to renegotiate the contract. Commissioner Vineyard asked us to consider providing more traditional system operations and maintenance services in the future. They are currently working on filling the vacancy they have for their executive director.

Goldendale Energy - National Grid is no longer a stakeholder in the Goldendale Energy project. A company named Copenhagen Infrastructure Partners has taken their place. Rye Development is still the other partner and they have committed to completing water supply agreements before the end of the year.

Public Power Council: Snake River dams - Public Power Council (PPC) staff did a good job working through the challenges and Jim feels PPC has arrived at a good position supporting the Snake River dams and the value they bring to the region.

Bingen Outage - Friday, November 6, 2020, we took an outage in the Bingen/White Salmon area, it was scheduled for 10 p.m. and lasted until 6 a.m. the following morning. Staff provided mail notifications, automated notices, and posted notices in key businesses around the area before the event. They were also available to answer calls during the outage. Staff reported that they only received five phone calls. Four of those were from customers with outdated contact information. Jim wanted to recognize the excellent planning and communication work done by staff.

McNary - Kevin discussed historic concerns regarding the scope of the elevator project at McNary Dam. The scope of the proposed elevator replacement work has substantially changed since it was proposed and agreed to by the Board in 2017. We will be reviewing this project and will come back to you with our proposal.

Debt Repayment - Jim discussed options regarding the fundamental approach to paying off debt in the future.

