

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, May 25, 2021
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 Douglas B. Miller called the meeting to order at 2:00 p.m. as advertised.

PRESENT: Douglas B. Miller - President and Randy L. Knowles - Vice President via teleconference.

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, and Luann Mata - Executive Assistant

Via teleconference: Mike DeMott - Director of Finance and Power Management, Kevin Ricks - Renewable Energy Assets Manager, Sharon Blodgett - Water/Wastewater Coordinator, Ron Schultz - Engineering Manager, Brandon Johnson - Engineering Tech, Mark Garner - Customer Engineering Supervisor, Beth Schroder - Accountant, Alex Casimiro - AP Clerk, Mark Pritchard - Operations Manager, April Greenlaw - Operations Support Assistant, Jeff Thayer - Materials Manager, Brandon Walter - Water/Wastewater Superintendent, and Cynthia Bruce - Accounting Clerk.

GUESTS: No one identified themselves.

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

MINUTES: MOTION was made by Commissioner Knowles to approve the May 11, 2021 meeting minutes. Motion carried.

CLAIMS & PAYROLL: Presented by Alex Casimiro. 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 May, 2021.

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

- Accounts Payable Voucher Nos. 210368 through 210476 in the total amount of \$648,953.89; Wire and Automated Clearing House (ACH) transaction Nos. 8801476 through 8801482, along with Electronic Funds Transfer (EFT) transaction Nos. 1 and 238 through 242 in the total amount of \$3,775,427.31 for the period ending May 25, 2021; and
- Payroll Warrant No. 201367 and ACH Direct Deposit Payroll transactions 207046 through 207131 in the total amount of \$237,790.29 for the payroll period ending May 9, 2021.

Motion carried.

PUBLIC COMMENTS: None.

REPORTS:

Water/Wastewater update - Sharon Blodgett discussed the April report. The Glenwood community meeting was well attended and we have received appreciation that we took the time to come out and engage with them. Commissioner Miller thanked the water/wastewater staff and the general manager for their preparation efforts prior to this meeting. Staff is working with RH2 on a few system projects. One

in Klickitat and one in Glenwood. Commissioner Miller, having knowledge of these systems, has offered to speak via Jim Smith, with the consultants regarding their proposals. The Glenwood Lift-station project proposal would be to purchase equipment this year and construction would commence the following year. We received a letter of thanks from the Klickitat School District for the board's decision on the water connection fee forgiveness.

Operations April update - Mark Pritchard presented the report for April. The reliability numbers are 99.935 currently, with trees and wind being the driving factors of these outages. Customer work was a focus in April. Crews are currently transitioning to target high fire potential areas. We have added another crew to assist with trimming. We have two Northwest Line Clearance crews, one Asplundh crew, and we have employed a mulcher from Dirt Diggers to work with the NW Line Clearance and KPUD mulching efforts. Staff completed RT130 blue card fire training. This included shelter training for outside worker including staking engineers. Commissioner Miller asked who provides shelters. Mark said that Department of Natural Resources will supply shelters.

Engineering April update - Ron Schultz discussed the Chenoweth capacity issues in Spearfish are being discussed as staff negotiates the EE Clouse/BPA 69 KV Substation Construction. Ron anticipates having an agreement complete shortly. The PacifiCorp agreement is in its final stages. All of the changes have been accepted through both parties and it is with their legal department for review. Ron is hopeful that the agreement will be ready within the next few weeks. Commissioner Miller thanked Ron for his persistence working through this contract process. Puget Sound Energy is down this week for annual maintenance.

Mark Garner stated there was a good turnout for the Echo Glen/Bristol Road bid walkthrough. Five electrical contractors walked the project, so we are hopeful that we will receive some competitive bids on this project. The bid opening is scheduled for June 2. Staff continues to work on customer work orders and quotes. Goldendale staff is working on a county road realignment project in the Old Mountain Road area. The project consist of 2.3 miles of road rebuild, we have at least four poles that will require relocation. Phillip McMillen is working with Mark on the roll out of the NISC mobile workforce product. The work on the Futura system side is complete, this project is pending NISC's VPN setup. A form will be added to this mobile workforce for fire response. Staff will have this form available so when they respond to a fire situation they will complete this form, once submitted, notifications will instantly be sent to the appropriate staff for follow-up.

AGENDA ITEMS:

- A. PREQUALIFICATION OF PROFESSIONAL SERVCIES - MOTION** was made by Commissioner Knowles to approve the addition of Cultural Resource Consultants, LLC and agree to add them to the Professional Services Consultants roster for the 2021 period. Motion carried.

REPORTS Cont.:

April Financial update - Beth Schroder presented the April financials. Revenue forecasts have been updated with large items only. White Creek Wind revenue forecast was adjusted based on current market pricing and estimated production. Electric aid in construction (AIC) revenue continues to exceed budget. Year-end expense forecasts will be updated again following the end of second quarter. Our current year-end forecast for Debt Service Coverage (DSC) is 1.75, which is a slight increase over the March forecast discussed at the last meeting, with days cash on hand at year end forecasted at 240 days.

RNG project update - Kevin reported on two Forced Outages that occurred on May 5th and May 13th. These trips are related to the level detection in the Nitrogen Removal System inlet coalescing filter. Corrective actions taken on the May 5th incident proved insufficient and additional corrective measures were taken after the

May 13th incident. Staff is confident the additional actions will prove effective in preventing a recurrence.

Commissioners accepted the report as presented in the May 25th commission meeting packet.

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

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

COMMISSIONER DAN GUNKEL - Commissioner Gunkel was not in attendance.

AGENDA ITEMS Cont.:

B. RESOLUTION 1803: Appointment of Auditor and Deputy Auditor - MOTION was made by Commissioner Knowles, based upon staff recommendation, to adopt Resolution 1803: Appointment of Auditor and Deputy Auditor as presented. Motion carried.

REPORTS Cont.:

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

- COVID-19 update - Gwyn began her report by reviewing our current COVID status and safeguards we have implemented. Jim provided staff and commissioners with a video update yesterday afternoon. This video updated everyone on the adjustments to schedules due to a local spike in cases in Goldendale. We have been considering the office reopening, but have pushed that option out, for now, as we work through this situation. Our utility has responded thoughtfully to all of the situations we have faced these past 14 months and this will continue to as we transition out of COVID status. Gwyn also stated that we are still awaiting receipt of the state opening guidelines for the proposed June 30 reopening deadline. We will continue to approach transitions conservatively.

GENERAL MANAGER – The following items are additions to the GM report.

The complete report can be found at:

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

- Opening office - Staff has been discussing the transition to accepting customers back inside our building. We will continue to discuss options and bring back recommendations when prudent to do so.
- Glenwood water - We have engaged the Department of Ecology and Yakama Tribal Water Code department to discuss the technical process for water rights to support the development of the Glenwood water system. We expect to have a technical meeting with them soon. Our current system plan was discussed with the Glenwood community last week. The community understands our plan moving forward and those attending the meeting supported our efforts.
- Port of Klickitat inquiry - Margie Zeigler, Executive Director for the Port of Klickitat emailed Jim last week to ask if KPUD plans to bring broadband into the port district area, now that legislation has been past to allow PUDs to supply internet service. There are some current federal and state grant funds being made available. Broadband to the home has not been one of KPUD's focus projects in the past, but Jim wanted to revisit this stance with the board. The board was in agreement, we are not prepared to venture into the broadband delivery business line at this time. Jim will draft a response to the Port.
- Loci Control systems update - Loci Controls personnel are on site and are installing the first wellhead unit this week.

- Surplus vehicles - Staff has prepared the surplus vehicles for auction. Jeff Thayer will notify all staff of the auction information. The auction's go live date is May 28. The auction website is <https://www.publicsurplus.com>

AGENDA ITEMS Cont.:

C. SETTING OF WATER/WASTEWATER RATE HEARING DATE -
MOTION was made by Commissioner Knowles to set the public Water/Wastewater Rate hearing for Tuesday June 22, 2021 at 6:00 p.m. The hearing will be held via WebEx. Hearing information will be mailed to customers, posted in the newspaper and displayed on the front doors of the Klickitat Public Utility District offices the day of the meeting. Motion carried.

D. EXECUTIVE SESSION: Potential Litigation MM-28 - President Miller called for an Executive Session at 3:15 p.m. per RCW 42.30.110 (1)(i) noting that the session would last for 45 minutes, for the purpose of discussing the Mile Marker 28 fire litigation. Commissioner Miller, Commissioner Knowles, Commissioner Gunkel, Jim Smith, Gwyn Miller, and Athan Tramountanas of Ogden Murphy Wallace PLLC were present for the session (via teleconference). The session ended at 4:00 p.m. No action was taken.

RCW 42.30.110 – Executive Session.

(1) 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 4:02 p.m.

 /S/
 Douglas B. Miller, President

 /S/
 Randy L. Knowles, Vice President

 ABSENT
 Dan G. Gunkel, Secretary
 Date Approved: June 8, 2021

 /s/
 Luann Mata, Executive Assistant