

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, February 22, 2022
2:00pm

CALL TO ORDER: President Douglas B. Miller called the meeting to order at 2:00 p.m. as advertised.

PRESENT: Douglas B. Miller - President, Randy L. Knowles - Vice President, and Dan G. Gunkel - Secretary

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, Isabelle Carroll - AP/Accounting Clerk, Sharon Blodgett - Water/Wastewater Coordinator, Mike Nixon - Operations Manager, Jeff Thayer - Materials Manager, Brandon Johnson - Engineering Supervisor, Mark Garner - Engineering Supervisor, Ron Schultz - Engineering Manager, and April Greenlaw - Operations Support Assistant-

Via teleconference: Cynthia Bruce - Accountant, Kevin Ricks - Renewable Energy Assets Manager, Mike DeMott - Director of Finance and Power Management, Geoffrey Lacefield - Project Engineer, and Courtney Collins - Engineering Support Assistant.

GUESTS: Larry Hocter

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

MINUTES: **MOTION** was made by Commissioner Gunkel to approve the February 8, 2022 meeting minutes as presented. Motion carried.

CLAIMS & PAYROLL: Presented by Isabelle Carroll. 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 February, 2022.

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

- Accounts Payable Voucher Nos. 212618 through 212621 and 212623 through 212748 in the total amount of \$989,051.97; Wire and Automated Clearing House (ACH) transaction Nos. 8801591 through 8801599, along with Electronic Funds Transfer (EFT) transaction Nos. 315 through 319 in the total amount of \$2,492,279.72 for the period ending February 22, 2022; and
- Payroll Warrant No. 212622 and ACH Direct Deposit Payroll transactions 208818 through 208909 in the total amount of \$232,425.21 for the payroll period ending February 13, 2022.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Water/Wastewater Report - Sharon Blodgett presented the January updates. Sharon reported on two leaks of substance in Ponderosa Park.

In Bickleton, Evergreen Rural Water of Washington provided ultrasonic well testing. This is ongoing and staff has borrowed Aspect Consulting's ultrasonic detector for additional testing on the Lyle wells. If the device works and provides useful information, we will evaluate purchasing the tool in lieu of paying \$10,000 for each use.

The testing requirements, as a result of the Hattenhauer fuel spill, in Roosevelt are no longer required. These costs have been covered by others. All tests have been negative for petroleum related contaminants in the Roosevelt Water System. We have agreed that we see no need for continued testing.

We have had several chlorine complaints in Glenwood that have been caused by the ties-in work related to the installation of the corrosion control project. The department is urging customers to report this directly to the PUD so we can further address issues.

We will begin billing the Wishram Heights subdivision the basic monthly fees as we near the one-year mark of construction in March. The water department will be installing water meters at those locations regardless of the construction status in order to better account for billing.

Operations Report - Mike Nixon presented the report for January. Due to the winter snowstorm in January, the allotted outage hours to achieve the average service availability index (ASAI) goal for the year is exceeded. There continues to be additional cleanup efforts throughout the county. We currently have two Kemp West tree trimming crews on site working through Bingen, White Salmon and the town of Klickitat. Once the weather improves, we will relocate them to the Appleton area. Commissioner Knowles asked who we have managing the tree crews in the White Salmon area. Mike indicated it is normally Justen Greenwood, however John Starr has been covering while Justen is on vacation. Mike also commented that his goal is to be in the White Salmon district at least two times per week. KPUD arborist, Dale Stelter, has been working on the storm cleanup as well as identifying additional locations for work.

Jeff Thayer provided an update on the White Salmon office remodel project, which began two weeks ago. Due to the vintage of the original building, we are working through some structural issues that have led us to make modifications to the original plans, which will result in change orders. This will result in a slight budget increase. We are still on track for the April 1 reopening. Commissioner Miller asked if we are still planning for a roof replacement and if that is part of the April 1 deadline. Jeff advised this will happen sometime in May for weather purposes and we will have an HVAC upgrade around that time as well. Commissioner Knowles asked to see the progress in person. Jeff confirmed he will be on site Wednesday and would be more than happy to provide a tour.

Engineering Report - Brandon Johnson, Mark Garner, and Ron Schultz presented the report for January. Brandon began by providing a status update of the MA Collins project. We found that the ground mat is galvanized steel around the perimeter with copper on the inside of the grounding mat and is not sufficient. We also found the step and touch potential requirements cannot be met without replacing much of the rock. We currently are in the process of creating a change order for \$78,000 for these additional expenses. Commissioner Gunkel inquired how deep the existing ground mat is. Ron responded that it should be 16 inches; however, we only have about 6 inches of depth. Commissioner Gunkel further commented that if we work on the gravel, we would tear up the copper. Commissioner Miller recommended bringing in the vactron truck to remove the gravel to avoid any damages to the existing infrastructure. Brandon agreed it would be something worth discussing with the contract crew.

The crew, meter shop, and internal staff met last week to begin the implementation of the AMI pilot project. The pilot has 56 meters, two routers and one collector. We placed one collector behind the Goldendale office. We have meters that can talk meter-to-meter, meter-to-router, or meter-to-collector. Thus far, the system appears very promising.

Commissioner Knowles asked if this is something we would feel confident covering the county. Brandon advised that determining the answer to that question is one of

the major goals of the pilot, but it is promising so far. We have some communications links in the range of 20 miles that are working well. Commissioner Knowles asked if this would provide good data for radio type communications for internet customers on the west end. Ron explained that if we get either a router or meter on Stacker Butte, we will hit Dallesport, but should also be able to hit Ramsay Ln. in White Salmon at Burdoin and we might be able to get more information to answer that question.

Brandon discussed the viewshed data on our GIS mapping, and that we are working to cover those areas within the viewshed. Brandon also mentioned that there is the possibility to use the Mastermeter water meters on the same network and place controls for lift stations. Another opportunity would be to remote access reclosers, so during the one-shot fire season, we can place these on non-reclose from the office without making a trip.

Commissioner Knowles asked if this communications technology might work for the Loci system at RNG. Staff will suggest that to Loci.

Commissioner Miller asked what the bandwidth is on the system. Brandon confirmed that meters are running on 900MHz.

Ron gave a high overview of the department. He recited a sincere thank you note to the board and his co-workers for his time at KPUD prior to his retirement on March 31.

Mark Garner reported that the staking engineers have been busy with mostly maintenance and storm clean up with little customer work. There was only one Goldendale customer job in the last week with ten pending. White Salmon has 17 jobs that are pending. This month, we have been meeting more with customers due to the warm weather. Mark does not foresee a slowdown in the engineering department, much like last year. We are still on hold with the Echo Glen project pending better weather. Mark will be contacting Magnum Power to discuss a timeline for this spring. Mark and Phillip continue to work on the FieldPro implementation. Mark is working on the Wildfire Mitigation Plan board presentation scheduled for next month, and will have Brown and Kysar on site to assist with this workshop.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller will attend the Klickitat County Economic Development Administration meeting tonight. Rex Mauer from Rimrock has requested a meeting and Commissioner Miller would like someone to accompany him. Jim Smith recommended that Brandon Walter should attend to address the chlorination questions. He also stated that Luann Mata received a call from Mr. Griffiths, a Snowden customer, which engineering is addressing. Additionally, Commissioner Miller completed and returned the audit survey to the state auditors with some additional comments.

COMMISSIONER RANDY KNOWLES - Commissioner Knowles met with Dan Spatz about internet service in Snowden. Mr. Spatz is going to do additional research. Commissioner Knowles was supportive of his research and commented that he mentioned the AMI project with Mr. Spatz. Commissioner Gunkel stated that his Starlink service has been incredibly reliable with speeds in the 150 MBps range. Commissioner Miller advised that this topic came up in WPUA discussions, but that it is going to cost millions of dollars for installation and maintenance for fiber, when alternatively customers could consider Starlink and get excellent internet access.

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

ASSISTANT GENERAL MANAGER -

- Jeff Thayer and Casey Sholdebrand worked on the wall in the meeting room. There are still additional remodel items to complete in the meeting room.
- Gwyn wanted to recognize Ron Ihrig and his efforts and acknowledge the end of his six-month return to KPUD. He will still be available for wildfire mitigation planning and the ongoing litigation.

- NISC - we are a member of the co-op, which gives us the opportunity to vote for NISC agenda items. We also receive our portion of the patronage allocation from profit giving \$3,500 back to KPUD for this last year.

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:

- Supply Chain - Jim reviewed the supply chain issues discussed at the last several meetings.

Jeff advised that at the current time, pad mounted transformers are the only issue we see delivery problems with in 2022. Lead times are in excess of 12 months. If the lead times on the 25kVA transformers is in excess of 14 months, many vendors will not even quote. Commissioner Gunkel asked if Jeff has tried ordering regardless of the cost. Jeff confirmed that yes, he has. Jeff also indicated that the engineering department is pursuing inactive accounts to acquire idle transformers and we have some in for refurbishment.

Jim wanted to advise the board of the issues, as commissioners and managers will likely get calls about this. Jim asked for support that we be proactive in the community, provide an article to the paper, and use that article as a basis for postings on social media, radios, the website and Ruralite. Staff has been working with new customers and developers on these issues for months, but we have not had this discussion with the general public. Jim also proposed we increase our inventory levels to two years versus six months as we had historically done. There will be financial implications of this when materials are received. The board supported this option.

Commissioner Knowles would like a cheat sheet so each of the commissioners have the same, consistent information about what we are experiencing. He would also like to see that these increased costs be reflected in line extension costs. Gwyn commented that engineering has been including a revised customer letter with the cost quotes indicating there could be a shortage on materials. Mark advised that the letter is being re-written to state customers will be going into a queue when pad mounted transformers are necessary. When we must utilize a queue, we will install as much of the underground infrastructure as possible so we do not have a long backlog of construction when transformers arrive, causing further delays. Commissioners also discussed that all employees need to understand the issues and provide our customers consistent messaging. Commissioner Knowles recommended including this as a discussion item if we are going to start community meetings again, now that COVID restrictions seem to be easing.

Commissioner Gunkel thinks that in the next few months, staff needs to have discussions so we can help incentivize customers to go underground in high fire-prone areas. We need to calculate costs and try to find motivation. He would like to mandate certain areas to be underground. Jim expressed concern that with the current materials shortages, we might not want to do this immediately. Commissioner Miller said that we have the ability to update policy to mandate this. Commissioner Knowles said that from a financial impact risk assessment, we cannot mitigate risk. Commissioner Miller said that supporting more underground services might not affect insurance, but it would help with fire mitigation. We can recoup man-hours and vegetation management costs by mandating customers to install underground. Jim asked what kind of timeframe should be considered for implementing this. Commissioner Gunkel brought this to light because of the lead times on underground infrastructure which could then cause customers to change their plans for underground power to overhead power. There is a supply and demand issue with production and availability of supplies.

Without an increase of growth, we probably would not have been having this conversation yet. Staff will review over the next couple of months and bring back thoughts to the board.

- Jim provided the board an update to the irrigators meeting in Bickleton. He focused on our rate history, a comparison of irrigation rates to our neighboring utilities as well as a history on the irrigation mitigation rate discount we received from BPA. As of today, KPUD is number ten on the list of utility residential electric rates.
- Jim has also included legal documents for Commissioner Knowles on White Creek.

AGENDA ITEMS:

- A. CALL FOR BID: EE CLOUSE POWER TRANSFORMER BID 2022 - **MOTION** was made by Commissioner Gunkel to authorize staff to advertise Call for Bid for Power Transformer for EE Clouse 2022, with bids being received until March 31, 2022 at 2:00 p.m. Motion carried.
- B. PROFESSIONAL SERVICES PREQUALIFICATION - **MOTION** was made by Commissioner Gunkel to approve the addition of all of the firms listed and agree to add them to the Professional Services Consultants Roster for the 2022 period. Motion carried.
- C. RESOLUTION 1813 AUTHORIZING THE ISSUANCE OF CREDIT CARD FOR MIKE NIXON, OPERATIONS MANAGER - **MOTION** was made by Commissioner Gunkel to adopt Resolution 1813 authorizing the issuance of a credit card to Mike Nixon for conducting Klickitat PUD business. Motion carried.
- D. RESOLUTION 1814 RESCINDING AUTHORIZATION OF THE ISSUANCE OF A VISA CREDIT CARD TO RON IHRIG, INTERIM OPERATIONS MANAGER - **MOTION** was made by Commissioner Gunkel to adopt Resolution 1814 rescinding authorization of the issuance of a credit card to Ron Ihrig due to separation of service. Motion carried.
- E. EXECUTIVE SESSION: Review the performance of a Public Employee per RCW 42.30.110 (1)(g) - President Miller called for an Executive Session at 4:20 p.m. per RCW 42.30.110 (1)(g) noting that the session would last for 2 hours, for the purpose of conducting the annual performance review of the General Manager. The session ended at 6:03. 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 6:04 p.m.

Douglas B. Miller, President

Randy L. Knowles, Vice President

Dan G. Gunkel, Secretary
Date Approved: _____

April Greenlaw, Operations Support
Assistant