

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
**Tuesday, May 23, 2023**  
**2:00pm**

**CALL TO ORDER:** President Randy L. Knowles called the meeting to order at 2:00 p.m. as advertised.

**PRESENT:** Randy L. Knowles - President and Douglas B. Miller - Secretary

**STAFF PRESENT:** Jim Smith - General Manager, Gwyn Miller - Assistant GM, Cara Smith - Accounting Clerk, Mike DeMott - Director of Finance and Power Management, Kevin Ricks - Renewable Energy Assets Manager, Mike Nixon - Operations Manager, Brandon Johnson - Engineering Manager, Mark Garner - Engineering Supervisor, Anita Clever - Energy Services Specialist, Brandy Myers - Customer and Accounting Services Manager, Jeff Thayer - Materials Manger, Sharon Blodgett - W/WW Coordinator, Brandon Walter - W/WW Superintendent, and Cynthia Bruce - Accountant.

Via teleconference: Luann Mata - Executive Assistant/Clerk of the Board

**GUESTS:** Larry Hoctor and Alan Rosa

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

**MINUTES:** **MOTION** was made by Commissioner Miller to approve the May 9, 2023 meeting minutes as presented. Motion carried.

**CLAIMS & PAYROLL:** Presented by Cara Smith. 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 23<sup>rd</sup> day of May, 2023.

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

- Accounts Payable Voucher Nos. 216272 through 216375 in the total amount of \$1,056,096.91; Electronic Funds Transfer (EFT) transaction Nos. 465 through 468 and Wire and Automated Clearing House (ACH) transaction Nos. 8801792 through 8801796 in the total amount of \$197,571.69 for the period ending May 23, 2023; and
- Payroll ACH Direct Deposit Payroll transactions 211649 through 211737 in the total amount of \$278,277.05 for the payroll period ending May 07, 2023. Motion carried.

**PUBLIC COMMENTS:** None

**REPORTS:**

**Water-Wastewater Report** - Sharon Blodgett and Brandon Walter presented the department report. Ponderosa experienced equipment failure during electrical storms that moved through the area last week. The equipment was repaired and additional protective equipment is ordered to minimize future impacts on sensitive equipment such as PLCs.

The Lyle community meeting was well attended. Staff received questions on system chlorination and the process to install additional streetlights. Brandon responded to the chlorination question and the streetlight question was referred to our

engineering staff. Engineering will schedule time to meet with the council on the lighting request. Wishram had a control equipment problem that resulted in the upper well reservoir overflowing. Staff cleaned the connectors and the equipment was operating correctly when complete. This cleaning task has been added to the regular maintenance schedule.

**Operations Update** - Mike Nixon presented the department report for May. The crews have been focused on maintenance as customer work is still slow at this point. The tree contractor is making their way up the Hwy 141 corridor and have completed 74 miles of trimming so far this year. Our KPUD crew is mulching again and removing dead trees.

**Engineering Department Review** - Brandon Johnson and Mark Garner presented the May updates. MA Collins commissioning is scheduled for mid- June. All getaways are complete and staff has been working diligently to get the new transformer in service. During the May 17 safety meeting, Automated Metering Infrastructure (AMI) Committee members presented KPUD staff with an AMI presentation and provided informational pamphlets for staff to carry with them to hand out to customers if they have questions. Gwyn Miller stated that staff was very engaged and interactive.

We are deploying the cutout mounted trip-savers ahead of fire season. Commissioner Knowles asked if we have the ability to control these units remotely. The initial units do not have control modules. We expect to receive the electronic reclosers in July, which will help us in improving end of line protection coordination. Staff will begin to deploy these reclosers beginning next week in priority 1 areas. Commissioner Knowles inquired on our fire response process.

**COMMISSIONER RANDY KNOWLES** - Commissioner Knowles provided an update on the PURMS/Brown & Brown transition. There have been multiple calls recently. He also stated that he would not be on the June 1 & 2 calls. Gwyn Miller will cover these meetings.

**COMMISSIONER DAN GUNKEL** - Commissioner Gunkel was absent from the meeting.

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

#### **ASSISTANT GENERAL MANAGER-**

- **L&I Ambient Heat Advisory Commentary** - There are many issues with this legislation. Gwyn listened in on the discussions and provided insight to the impacts it could have on our utility. Staff will also be involved in future rule making discussions.
- **3<sup>rd</sup> Party Labor and Industry Claims management** - Gwyn has contracted with Archbright for L&I claims processing. We typically don't have many claims, but some of our claims are very complex.
- **State PERS Retirement Restrictions** - With updates to the retirement requirements, employees who take early retirement may have an opportunity to work part time in their former capacities during retirement. Generally speaking, there are caveats that retired employees can come back at limited capacity for a limited number of hours.
- **Uprise Health Employee Assistant Program (EAP)** - Uprise is the same company we have contracted with for years, but their name has changed. We subscribed to the lowest tier at this point as historically this service has been underutilized. We will reevaluate this service when this contract ends.
- **Staffing-**

- Gwyn recognized Patrick Carroll for the implementation of the NISC Mosaic reporting program.
- We have extended an offer for the IT support position. We filled the Customer Service opening; Ocean Bryan began May 22. We have hired the vacant mechanic position as well. Carl Spratt also started work on May 22. Sohn is still directly supervising the mechanics. The summer student positions have been hired as well. They will begin within the next few weeks.

**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)

In place of a written report, Jim Smith presented the following information:

- **Washington Public Utility District Association** - Discussed what an impact a concerted, supportive, utility fact-based, data driven communication document created by WPUDA could provide offering public power customers statewide information on the impacts of CETA rules. Commissioner Knowles also stated that this is a good opportunity to create continuity among utilities. Our perspectives may be different, but our collective position is likely the same. There is a need for facts about impacts from these programs.
- **Department of Natural Resources (DNR) Electric Utility Wildland Fire Prevention Advisory Committee** - The DNR Master Agreement is signed and is waiting DNR execution. Jim discussed the differing perspectives of the Department of Commerce with respect to wildland fire prevention.
- **Net Metering Legal Review** - During the last rate review we held for Net Metering, the premise was that the core 50 accounts would be grandfathered at their current rate at that time. All new installations would have a new contract with language that the rates were subject to modifications. According to our legal review of contracts, we have the ability to change retail electric rates with our normal public process, provided these new rates apply to all customers, not just net metered customers. Given this, Commissioner Knowles stated that we should continue our net metering program until we implement AMI and the demand type rate structures as discussed across the board, including net metering.

WPUDA is requesting that E3 conduct a utility sponsored study to evaluate net metering cost shifting. The proposed study cost is \$420,000, of which \$110,000 is WPUDA's share and KPUD costs would be \$3,300. The board supported Jim's position that we participate and fund the \$3,300.

- **June Ruralite Back page** - Jim has composed a follow up article to the May back page. The June back page will expand on our response to changes in power markets and will extend from the back page into a three-page feature.

#### **AGENDA ITEMS:**

- RESOLUTION #1834 RECOGNITION OF RETIREMENT OF JEFF THAYER** - **MOTION** was made by Commissioner Miller adopting Resolution 1834 in recognition of the retirement and years of services Jeff Thayer has dedicated to the utility. Motion carried.
- RESOLUTION #1833 ISSUANCE AND/OR RESCINDING OF BUSINESS CREDIT CARDS** - **MOTION** was made by Commissioner Miller adopting Resolution 1833 Issuance of credit cards to Sohn Kartes and Douglas Tuning and Rescinding credit card authority of Jeff Thayer. Motion carried.
- PRE-QUALIFICATION OF PROFESSIONAL SERVICES** - **MOTION** was made by Commissioner Miller to approve the addition of Tenneson

Engineering and agree to add them to the Professional Services Consultants Roster for the 2023 period. Motion carried.

- D. POLICY 21- ELECTRIC CUSTOMER SERVICE - **MOTION** was made by Commissioner Miller to approve the updates to Policy 21 including the Opt out addendum as amended. Motion carried.
- E. POLICY 21A- ELECTRIC CUSTOMER SERVICE CUSTOMER REQUIRED REPAIR TEMPORARY UPDATE DURING METER INSTALLATION - **MOTION** was made by Commissioner Miller to approve Policy 21A as presented. Motion carried.
- F. WATER/WASTEWATER PUBLIC RATE HEARING 3:00 P.M. - Commissioner Knowles opened the public hearing at 3pm as advertised. Jim Smith provided a review of the customer communication methods that have taken place over the past three months as well as a full review of the proposed rates for each system. Upon completion of the review, the floor was open to the public for comment. Mr. Alan Rosa spoke to the board on behalf of the Wishram increases, additional fire hydrants, comments of low water pressure during outage situations and the status of the upper well roof. Brandon will evaluate the hydrant request and respond back to the fire district. There should not be an issue with water pressure during outages so Brandon will have this evaluated as well. The roof installation on the lower well should be completed in September or October. After Mr. Rosa completed his comments, phone comments were open, but there being no phone comments the public comment period closed at 3:19 p.m. and meeting returned to regular session.
- G. RESOLUTION #1835 WATER-WASTEWATER RATE ADOPTION - **MOTION** was made by Commissioner Miller to adopt Resolution 1835 adopting the 2023 Water and Wastewater Rates as presented and discussed during the public rate hearing. Motion carried.
- H. CARBON FREE POWER SOURCE, SMALL MODULAR NUCLEAR REACTOR INVESTIGATION - Mike DeMott and Kevin Ricks discussed the project updates reported from Energy Northwest (ENW). Updated cost estimates have been delayed and are under development for delivery in early June. Discussion covered potential site issues and project schedule. Output from a small modular reactor (SMR) will not likely be available until 2030, so we will continue to investigate how we might bridge the gap until then, as well as alternatives to SMRs. Our Tier 2 power supply volume will be based on outcomes of the BPA Post 2028 process and setting of future Tier 1 amounts.

Mike mentioned that current BPA shaping costs for a project like White Creek are about \$25 / MWh. However, as the electric system supply gets put under more stress, these charges are likely to increase significantly. However, this should continue to be monitored as integrating variable renewable resources into our power supply could be an option to consider. Utilities should put pressure on BPA to develop firm Tier 2 resources.

In addition to the power source discussion, Moody's upgraded us to a A2 with stable outlook.

**Adjourned** - There being no further business, the meeting adjourned at 4:23 p.m.

                  /S/  
Randy L. Knowles, President

                  /S/  
Dan G. Gunkel, Vice President

/S/

Douglas B. Miller, Secretary  
Date Approved: June 13, 2023

/s/

Luann Mata, Executive Assistant