

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, February 25, 2020
2:00pm

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 (via teleconference), and Randy L. Knowles- Secretary

STAFF PRESENT: Jim Smith- General Manager, Mike DeMott- Director of Finance and Power Management, Mark Pritchard- Operations Manager, Ron Schultz- Engineering Manager, Cynthia Bruce- AP/Accounting Clerk, Alex Casimiro- Engineering Support Assistant, Sharon Blodgett- Water/Wastewater Coordinator, Beth Schroder- Accountant, and Luann Mata- Executive Assistant.

GUESTS: Ron Ihrig

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

MINUTES: MOTION was made by Commissioner Knowles to approve the February 11, 2020 meeting minutes as presented. Motion carried.

CLAIMS & PAYROLL: Presented by Cynthia Bruce and 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 February, 2020.

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

- Accounts Payable Voucher Nos. 206610 and 206612 through 206739 in the total amount of \$656,330.52; Wire and Automated Clearing House (ACH) transaction Nos. 8801291 through 8801295, along with Electronic Funds Transfer (EFT) transaction Nos. 109 through 113 in the total amount of \$2,609,006.22 for the period ending February 25, 2020; and
- Payroll Warrant Nos. 206611 and ACH Direct Deposit Payroll transactions 204253 through 204338 in the total amount of \$200,402.62 for the payroll period ending February 16, 2020.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Water Wastewater Report – Sharon Blodgett presented the department report for January. She updated the board on the 30-unit condominium complex in Lyle. KPUD staff discussed current connection and general facility charges as they relate to current KPUD Policies 18 and 19. We informed the developer that fees presented are where they stand until the end of May as policies are currently under review. The developer appreciated KPUD for being upfront and transparent noting concerns with the policies. The developer plans to further consider having multiple water meters rather than one large meter in order to be more cost effective during the construction phases of the project.

The final stages of the Lyle well project is underway this week. We are awaiting approval documents from Washington State Department of Health.

The Klickitat Water inspection of well #3 went well. The pump had issues that were found during the inspection process thus a new pump was installed. With the new pump and work complete, the well is now pumping 55-60 gallons per minute. This is nearly triple the output prior to the pump replacement. Staff will continue to investigate surface water solutions and have scheduled touring of two facilities in Richland next month.

There was an informal meeting with the Corp of Engineers and County Officials at the Klickitat Courthouse to discuss the two options for tribal villages within Klickitat County. One site is in Wishram Heights and the other is off Highway 97, east of the Centerville Highway. These projects are due to a congressionally mandated requirement of the Flood Control Act of 1950. The Highway 97 location proposal projects 130 units and the Wishram location is projected as 110 units. Regardless of the site, the village setup will consist of single residential dwellings, duplexes, and seasonal RV/tent sites. The Army Corp of Engineers presented a milestone schedule during the meeting and copies were given to the Board for their review. The Army Corp of Engineers project is several years out and is not associated with the Dallesport project proposal.

Sharon also provided an update on annual reporting requirements for Biosolids and the General Permit Application process that happens every 5 years. During this year's submission of the Biosolids permit, the General Permit's requirement of a Notice of Intent (NOI) occurred at the same time. DOE notified her that KPUD's submissions of the NOI needed to be signed by an elected official due to all wastewater plants being "minor" plants servicing populations under 10,000. Jim Smith had initially signed the documents; however, a member of the Board will need to sign them moving forward.

A consultant was hired to complete an inspection of our SCADA system and PLC's. We are awaiting the receipt of the assessment findings so we can evaluate their recommendation of inventory. Once the assessment is received, we are hopeful that it will assist in capital budget forecasting as the systems are updated with modern communications. These improvements are being coordinated with electric system SCADA and IT communications improvements.

Operations Report – Mark Pritchard presented the department report for January. There were a few tree issues, but more of the issues this month were due to conductor and equipment failure. The main occurrences were on the Wishram transmission line and were caused by conductor slack. A drone inspection found where a jumper had been slapping a guy and arcing was occurring. The crew completed a temporary fix and tied off the lines to prevent the wire slack from making contact with anything. Materials are on order and there will be an outage to reconductor this section when materials are received.

Crews are continuing to complete maintenance work. Tree trimming, transmission line inspections, and weed treatment have been the main focus this month. The Goldendale crew is working in Alderdale this week. White Salmon is continuing to work on Snowden fusing.

We are evaluating new fault indicators. A review of the system demonstrated that our information requires updating. The crews identified map locations, Phillip McMillen updated the maps and the crews will verify these locations as they evaluate the system. When evaluations are complete, Phillip will once again update the mapping system. A new fault indicator is being evaluated. We want these new indicators to have dual settings so they will show intermittent faults as well as permanent ones.

Northwest Line Clearance is still completing vegetation management work in White Salmon. They will continue their momentum moving forward and continue to be very

customer oriented. We will be requesting the approval of the 2020 Tree Trimming Bid. Asplundh Tree Expert Co. was the low successful bidder. The labor portion was very close, but Asplundh's equipment bid is lower due to their resources. We plan to complete some additional mechanical Right of Way clearing this year as well. We yielded great results from last year's work. Our plan is to purchase our own mechanical trimmer. The eventual goal is to have a 4-year trimming cycle, but the first cycle will be a slower process because of the amount of vegetation we will be removing.

Safety this month focused on office personnel. March's safety training topic is Wildland Fire Safety Training (blue card). By having our personnel blue card certified, it will help bridge the gap between us and responding agencies. Commissioner Knowles inquired if we have a contractor for investigations. We do not have anything formal, but will bring back a professional services approval at a future meeting. Jim did add that we have staff responding to all fires within the county where our equipment is present.

Engineering Report – Ron Schultz presented the department report for January. Ron is meeting with our Bonneville Power Administration (BPA) Customer Service Engineer and Customer Service Engineering Supervisor to discuss the rebuilding of the BPA Goldendale 69kV substation. We have a new Customer Service Engineer Jay Largo, who is replacing Jason Kemp, who moved to a new position.

Planned Outages- We are also in final stages of scheduling the BPA Rock Creek switching outage. A meeting to discuss switching procedures is scheduled for tomorrow. This outage will begin on May 11th. Puget Sound Energy have scheduled their outage to begin on May 2nd. They will not generate for two weeks during their outage period. Staff will also complete some maintenance work in the White Creek, Harvest, and Willis substations during this outage period as well.

Unplanned outages- We had a tree fall through the line on the Glenwood transmission. The Glenwood 69kV breaker in the Husum substation did not open, so it resulted in a wider spread outage, operating a breaker in BPA's Bald Mtn. substation. Our distance to fault indication from Husum worked well. The crew was able to locate the tree and remove it quickly. We have scheduled this breaker for replacement.

Last month we discussed the Bingen transformer failure. The repair of this equipment is covered by warranty. Virginia Transformer will come in and make the repairs once parts arrive.

Staffing- The department is focused on training and staff development. We have new personnel and shifting job requirements. Ron's focus is on project guidance. Mark Garner and support staff are working through work order process flow, which will be implemented within the NISC program. Shelby Manka is immersing herself in educating herself on WECC process and requirements to assist the department. Engineers in White Salmon are preparing to have the crew rebuild the double circuit down to Bingen. They are also evaluating how to sectionalize an east and west feed for this area. The split would be located by Daubenspeck Park. By splitting this area into two feeds, it would provide options to re-feed areas of Bingen during an outage. Goldendale Engineers are also continuing to evaluate the east end loads. Ron has contacted Pacific Power and Light regarding the Condit Line purchase again, but has not received a response to date.

COMMISSIONER DAN GUNKEL – Commissioner Gunkel will be attending the Economic Development Administration board meeting this evening.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller reminded the Board that the F-1 annual reports are due April 15th.

COMMISSIONER RANDY KNOWLES – Commissioner Knowles did not have a report at this time.

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:

- Pump Storage project of significance- The Senate is scheduled to vote today on SSB 6578. The language in this bill refers to pumped storage projects located in a county bordering the Columbia River utilizing statutorily authorized water rights to be projects of statewide significance.
- Irrigators meeting- Both meetings were well attended. The Central district meeting was focused on obtaining information on KPUD involvement with pumped storage, the Eastern district focused on rate discussions. They also inquired about the Renewable Natural Gas project. They were interested in how the project was operating and how this project impacts rates.
- Republic- Kevin Ricks is attending the Global Waste Management Symposium this week in California. His focus is on anaerobic digesters and the impacts that diversions of food waste and liquids could have on our gas recovery. He is also focused on developing long-term strategies that assist us and our partners.
- Renewable Identification Number sales- At our last meeting Mike DeMott discussed that we were selling stored gas as there was an increase in market pricing. We have presold about 78,000 dekatherms for extraction in August. We still have about 50,000 additional dekatherms of stored gas to sell. We will receive the current RIN pricing and the Low Carbon Fuel Standard credit pricing at the time of removal. Increasing gas production from the field is the focus now.
- Invitation from Jamie Herrera-Beutler's office- Jim stated that he received an invitation to attend a roundtable discussion on markets and impacts focused on carbon legislation. Jim will attend this meeting in hopes to guide discussion and provide information regarding waiver credits.

AGENDA ITEMS:

- A. BID AWARD- 2020 Tree Trimming: **Motion** was made by Commissioner Knowles to award the bid for 2020 Tree Trimming to Asplundh Tree Expert Co. based upon their bid submission. They are the low successful bidder. Motion carried.
- B. PROFESSIONAL SERVICES APPROVAL: **Motion** was made by Commissioner Knowles to approve the addition of Anderle CPA PLLC and Odell Engineering and agree to add them to the Professional Services Consultants roster for the 2020 period. Motion carried.
- C. REJECTION OF BIDS- RNG Blower Electrical Components: **Motion** was made by Commissioner Knowles to reject all bids as they exceed the engineer's estimate for the project by 15%. Staff will pursue alternate procurement alternatives per PUD policies and RCWs. Motion carried.
- D. EXECUTIVE SESSION: Review of Performance of a Public Employee (1)(g) – President Gunkel called for an Executive Session at 3:33 p.m. per RCW 42.30.110 (1)(g) noting that the session would last for 1 hour and 30 minutes, for the purpose of discussing the General Manager's evaluation. The session ended at 5:00 p.m. **Motion** was made by Commissioner Knowles to authorize the President to sign the General Manager's Employment contract upon the President reviewing the proposed contract with Commissioner Miller. Motion carried.

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 5:13 p.m.

 /S/
Dan G. Gunkel, President

 /S/
Douglas B. Miller, Vice President

 /S/
Randy L. Knowles, Secretary
Date Approved: March 10, 2020

 /s/
Luann Mata, Executive Assistant