

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, January 25, 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 and Dan G. Gunkel - Secretary (*via teleconference*)

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, Isabelle Carroll - AP/Accounting Clerk, Sharon Blodgett - Water/Wastewater Coordinator, Brandon Johnson - Engineering Supervisor, Mark Garner - Engineering Supervisor, Ron Schultz - Engineering Manager, Ron Ihrig - Interim Operations Manager, Mike Nixon - Operations Manager, and Luann Mata - Executive Assistant.

Via teleconference: Mike DeMott - Director of Finance and Power Management, Kevin Ricks - Renewable Energy Assets Manager, Cynthia Bruce - Accountant, Brandy Myers - Customer Service Supervisor, Jeff Thayer - Materials Manager, Robbie Cacy - Senior Buyer, Geoffrey Lacefield - System Engineer, April Greenlaw - Operations Support Assistant, and Courtney Collins - Engineering Support Assistant.

GUESTS: Larry Hoctor

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

MINUTES: **MOTION** was made by Commissioner Gunkel to approve the January 11, 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 25th day of January, 2022.

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

- Accounts Payable Voucher Nos. 212391 and 212393 through 212519 in the total amount of \$1,633,325.73; Wire and Automated Clearing House (ACH) transaction Nos. 8801579 through 8801583, along with Electronic Funds Transfer (EFT) transaction Nos. 305 through 311 in the total amount of \$2,582,531.38 for the period ending January 25, 2022; and
- Payroll Warrant No. 212392 and ACH Direct Deposit Payroll transactions 208640 through 208729 in the total amount of \$334,431.94 for the payroll period ending January 16, 2022.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Water Wastewater Report - Sharon Blodgett presented the December report. She reviewed the water pipe breaks in Ponderosa and Wishram that occurred with the inclement weather event. Overall, the department was very happy with how their

facilities performed in the cold. Sharon also reported that Michael Krause achieved his water operator level 2 certification. New staff is advancing their understanding of system operation and customer need.

Operations Report - Ron Ihrig presented the year-end department report and introduced new Operations Manager, Michael Nixon. Ron touched on the outage hours reporting that as of the end of November there were a total of 41,441 hours and in December there were an additional 19,000. The year ended with 61,000 outage hours total. The 2022 outage hour goal is 34,000 hours. Unfortunately, Ron is estimating that a third of our outage hours were utilized during the January storms. Michael said we will do what we can to work within these numbers.

The substation reliability review demonstrated the four most unreliable substations were Gilmer, Bingen, Lyle and the Satus feed out of Goldendale. Gilmer struggled with the north feed towards Trout Lake, Bingen was the North White Salmon feed towards Snowden, and the Satus feed out of Goldendale. Tree damage due to snow, ice and wind adversely affected these areas and accounted for as much as 50% of the total annual outage hours. Lyle had two significant issues this year. Tree issues plagued the Appleton area and equipment failure was a factor in the town of Lyle.

Commissioner Miller asked if planned outages affect these statistics. Ron stated planned outages and power source outages do not have any impact on the outage statistics. He also asked which lines were impacted more frequently, distribution or transmissions. Ron did not have a percentage, but distribution definitely took the hits more frequently than transmission.

Kemp West is now on the property. They are beginning in Klickitat working off the time and materials portion of the bid, until weather allows and ground stabilizes. Once that happens, they will move into the Appleton area to begin working on the fixed price bid portion of their contract.

Jeff Thayer added that the White Salmon office remodel would begin Monday. The White Salmon office will remain closed for business for up to 8 weeks. Jeff will provide updates as the project progresses.

Engineering Report - Brandon Johnson, Ron Schultz and Mark Garner presented the year-end department report.

Ron Shultz led off by discussing that Northern Wasco is completing their annual maintenance at The Dalles Dam hydro project. Our meter shop staff is completing inspections at the Spearfish substation including the equipment that feeds the Northern Wasco generation facility. Northern Wasco has requested that we change out the breaker to ensure reliability. This is scheduled for next week. The old breaker will be refurbished and put back into stock for inventory. The new employees are developing valuable skills. Jeremy Kerns has taken on PLC equipment interrogation and maintenance. Jim Smith noted he was impressed with his workmanship. Lastly, Ron discussed material issues the meter shop is running into. Everyday residential meters, which used to be only a few weeks for delivery, are now 34-36 weeks out. Our larger meters, which normally had a 3-6 month lead-time, are now 70-72 weeks out. He asked that the commissioners be aware that they will see larger than normal orders as we try to navigate these challenges. Ron has located an alternate source for residential meters with a shorter lead-time, so an order will be placed with both vendors in order to establish a relationship moving forward.

Brandon Johnson started his report discussing the Bingen substation. Meter shop will complete the regulator replacement in April or May. This work will require a scheduled outage to complete. The E.E. Clouse substation expansion is currently undergoing the 10% engineering review. The project completion is scheduled for mid-2023. Construction will begin towards the end of this year. A call for bid for the power transformer is expected for the second meeting in February. The proposed new large load at our Energizer substation is continuing to move ahead. BPA has approved their application and an engineering firm is working on design layouts. The customer is beginning to work on permits. The customer's target online date is the

end of 2022. Jim noted that KPUD will own any 230 kV equipment and BPA's responsibilities consist of metering and protection.

Brandon reviewed the MA Collins construction project. Photos and a link that demonstrated the progress made to date was provided. Phillip McMillen is taking weekly drone footage and utilizing a new software program to provide Google Earth type imagery, which we can utilize in the future. Drone imagery will be utilized to search for outage damage, construction and for crew tailboard updates as well. Brandon concluded his report by discussing that Palouse Power, the contractor at the MA Collins substation, had their construction trailers broken into. The thieves obtained copper wire and a few other items. Palouse was able to replace lost material, so it has not affected the project construction. Our storage shed was also broken into, but nothing was taken from our facility and there was no access gained to the substation.

Brandon and Ron stated that one of the large power customer applications for Dallesport has been withdrawn. There was a 20MW data center project proposal received for the Dallesport Industrial Park, but they were unable to secure an anchor tenant, so they have withdrawn their application with us. From what we understand, they will continue to leave their 80MW application with BPA. Capacity is still an issue in Spearfish, but this withdrawn application moves two other applicants ahead in our queue.

Mark Garner provided an update on construction. Weather has put a damper on construction. Applications and electrical approvals continue to be received. However, ground conditions are not allowing much customer work at this time. Currently there are three customers in Goldendale and eight in White Salmon ready for installation and there are many pending customers. With the pad-mounted transformer delivery delay issues, customers are being informed that installations could be delayed due to supply constraints. Faster delivery is expected for overhead transformers, so some customers who have previously requested underground installations are being provided overhead as an alternative option. With the weather constraints and the storm clean-up, the engineers have been focused on maintenance and capital projects.

Phillip and Mark are continuing to complete the development of the vegetation management program. The Futura FieldPro installation is moving forward. They are undergoing the testing phase now and they hope to have this tool rolled out to field staff soon. Mark stated the advantage of this system is if there is cell service available at a damage location, then the assessment information uploads to the system, such as pictures or material lists, will come back and instantly populate on our mapping system.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller plans to attend the Washington State Audit exit interview tomorrow at 2:30 p.m.

COMMISSIONER RANDY KNOWLES - Commissioner Knowles was absent.

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

ASSISTANT GENERAL MANAGER -

Gwyn Miller reported:

- **Outage Debrief** - Ron Ihrig lead an outage debrief session with outside staff during the safety meeting last week. There were some good conversations and things that went well and things that could use improvement. One suggestion was to purchase a larger viewing screen for the drones. This could allow a lineman to work side by side with the drone pilot to evaluate information received during the inspection process.

Also with all of the new personnel, we were very pleased with the assistance everyone was willing to provide, but found there was need for additional

training on the roles during outages. However, we were extremely happy with the way everyone worked together and that there were zero injuries.

Whenever staff is working such long hours for a sustained period, safety is an increased concern. There were some radio/communication issues. Some of these challenges were due to battery backup failures in locations outside of our ownership. Staff will reach out to Klickitat County Emergency Management staff to discuss options to work on reliability.

- Staffing - Jeff Thayer assumed the role of safety coordinator after Mark Pritchard's retirement. Jeff has offered to collaborate with Michael Nixon during his transition. We have a good safety program and want to keep consistency and performance moving forward. Gwyn expressed her thanks of Jeff's agreement to fulfill this need.

There has been an offer extended on the IT position. That individual will begin work next Monday. Now there are only two lineman positions to fill. Recruitment options are under evaluation. Nearly all utilities in our area have postings for qualified workers, so at the next meeting Gwyn would like to discuss recruitment strategies.

- COVID - Home tests are now available at most pharmacies. Our insurance will pay for or reimburse individuals for purchasing of these tests. This has really increased our ability to make informed staffing decisions. The utility will not be purchasing tests, since they are available to staff through insurance provisions.

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:

- Legislative Update - Jim discussed the two bills that have potential impact on KPUD directly. HB1623, the bill developed by Representative Mosbrucker, is in committee. This bill is focused on the grid reliability. Jim participated in a discussion on this bill. This bill has been amended and the amended revision proposals are being reviewed at this time.

The second bill, SB5803, sponsored by Senator Rolfes, has been moving very quickly. This bill focuses on wildfire liability. Over the weekend, Jim worked with WPUA and utility lobbyists to move the bill from a presumed liability bill, to one that requires utilities to develop and adopt fire mitigation plans. There is a hearing this Thursday. Jim will now evaluate other legislation and provide an update on any other bills that could have impact on us.

- McNary - Mike DeMott and Kevin Ricks met with Northern Wasco last week regarding the stair project. Jim stated that at this time we are still at a difference of opinion. Our stated position is that the processes in the operations and maintenance contracts need to be followed. Kevin is working with Kurt Conger on engaging a neutral third party technical advisor in accordance with the contract. He is also pursuing contact with the Corp of Engineers regarding any engineering evaluations that have been completed. Kevin will bring back his findings.
- State Audit - The exit interview is scheduled for 2:30 p.m. January 26. Two management recommendations were received, which are standard in our audits. Unfortunately, the state issued one finding. Staff disagrees that this should be at the level of a finding and have provided comments to the state auditor in the timelines prescribed by the state audit process.

The finding is for an RCW change in 2017 that requires a contractor sign a form to self-certify "its compliance with established criteria to be considered a

