

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, February 23, 2016
2:00pm

CALL TO ORDER: President Ray Mosbrucker called the meeting to order at 2:00pm.

PRESENT: Commissioners Ray A. Mosbrucker-President, Randy L. Knowles-Vice President, and Dan G. Gunkel-Secretary.

STAFF PRESENT: Jim Smith-General Manager, Ron Ihrig-Chief Operating Officer, John Janney-CFRO, Anita Thompson-Accounting Manager, Gwyn Miller-H.R. Manager, Mike DeMott-Interim Power Manager, Ron Schultz-Chief Engineer, Rob Rising-Line Superintendent, Tim Madsen-LFG Site Supervisor, Amber Jackson-AP/Accounting Clerk, and Kathy Loveland-Executive Assistant.

GUESTS: Cathy Titchenal - EHO Realtor-Klickitat Customer; Tom McDonald - Cascadia Law Group; Dave Richey and Howard Trott with Strategies 360.

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

MINUTES: MOTION was made by Commissioner Dan Gunkel to approve the February 09, 2016 meeting minutes as presented. Motion carried.

CLAIMS & PAYROLL: Presented by Amber Jackson. 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 on February 23, 2016.

MOTION was made by Commissioner Randy Knowles to approve the following as presented:

- Accounts Payable Voucher numbers 105862 through 105974 in the total amount of \$332,975.43 and Wires, ACH and EFT numbers 8800432 through 8800440 in the total amount of \$1,346,070.43 for the period ending February 23, 2016; and
- Payroll Warrant numbers 43263 through 43265 and ACH Direct Deposit Payroll transactions 9914846 through 9914922 in the total amount of \$160,810.33 for the payroll period ending February 7, 2016.

Motion carried.

PUBLIC COMMENTS: Cathy Titchenal was present at the meeting to voice her concerns to the Commissioners regarding the District's policy that addresses general facility charges and stand-by fees, more specifically for the community of Klickitat. Comments included the following, which are not verbatim:

Cathy noted that the housing market in the town of Klickitat is low as well as the income level; therefore people have had their services disconnected due to hardship or no longer living on the property. The problem is not usually rectified until the property is sold. She recently facilitated a property sale of which the owners had disconnected their services and their PUD bills were in arrears. The buyers were unaware of this until the settlement was being arranged, which caused a dispute as to whether the buyer or the seller had to pay the outstanding amount to bring the account current.

Cathy personally had two of her own properties disconnected a few years ago, at which time she was told upon re-starting her services she would pay the lesser amount of either a reconnect fee or the monthly base fees that were in arrears. If utilities are turned off, it's not just water or wastewater that you have to catch up, but electric or gas as well, and you have to hire an electrician to inspect the property before the PUD will turn the services back on. It becomes a costly reconnect, especially if you have to pay a GFC as well as a connection fee.

Ron Ihrig reviewed the District's policy that was adopted in 1997. Commissioner Gunkel stated that the Board had discussions with the various communities regarding this issue, and arrived at the current policies as the best solution.

Cathy would like to see the PUD, when asked who is responsible for paying the outstanding account balances during a property settlement to clearly state that it is the responsibility of the seller. Commissioner Knowles noted that the PUD has no authority to determine the relative responsibilities, only to ensure that the accounts are paid.

Mr. Smith commented that staff will be investigating the process of possibly placing liens on properties that are on standby or disconnected so that buyers would be aware of the outstanding amounts owed the PUD when they do a title search. Staff will investigate this process and bring back a recommendation to the Board at a future meeting.

Cathy will be speaking with the Realtors Association regarding responsibilities for outstanding service fees, and asked that the Board at least consider reducing the GFC amount. The Board agreed to review the number again, but noted that the dollar amount is based on infrastructure costs and these costs often move up over time, not down. Mr. Smith welcomed Cathy to attend the upcoming community meeting with the Klickitat Council in March to gain further input from the group.

The Commissioners thanked Cathy for bringing her concerns to the Board.

REPORTS:

COMMISSIONER DAN GUNKEL reported that Energy Northwest's Columbia Generating Station's Executive Board hired a Washington DC law firm to investigate allegations made in anonymous letters that were sent to some of the Board members and media. The letters alleged that the performance of CGS has been poorer than officially stated. Commissioner Gunkel stated that he will be following the investigation and that he may attend the ENW Executive Board meeting tomorrow to hear the findings of the report. Otherwise, the plant's performance looks really good and is producing more energy than it ever has due to the additional 20 or so MWs of additional capacity added during the refueling outage. But the fact remains that radiation exposure performance has been poor and continues to be so, and equipment reliability may be trending downward and it's time to take a serious look at underlying performance information.

COMMISSIONER RANDY KNOWLES reported that he would be attending a meeting in Snowden on February 29, 2016 along with Klickitat County Commissioner Dave Sauter, county staff and interested groups regarding broadband fiber infrastructure in Snowden.

COMMISSIONER RAY MOSBRUCKER reported that he would be attending the Washington PUD Association meetings February 24-26, 2016 in Olympia which includes a luncheon with the legislators.

GENERAL MANAGER – The complete report can be found at:

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

In addition to the written report, Mr. Smith shared the list of upcoming customer meetings that have been scheduled as of today. He also discussed with the Board the current status of the licensing re-application for the pumped storage project and FERC's latest ruling. Commissioner Mosbrucker asked that Brian Skeahan's consulting contract be discussed again in a month.

With a busy agenda today, Mr. Smith recommended re-scheduling his performance review to the next meeting.

The report was accepted as presented.

POWER MANAGEMENT – The report was postponed until the next meeting.

OPERATIONS DIVISION – The report was postponed until the next meeting.

H.W. HILL LFG PROJECT – The report was postponed until the next meeting.

AGENDA ITEMS:

- A. LFG Optimization Alternatives – Dave Richey and Howard Trott from Strategies 360 were in attendance to walk the Board through the initial report on LFG optimization alternatives, including a potential long-term HW Hill off-take agreement into California. No action was required.
- B. EXECUTIVE SESSION: Negotiations, Public Bid Contracts – President Mosbrucker called for an Executive Session at 4:20pm per RCW 42.30.110 (d) for the purpose of discussing contractual terms and implications of pursuing a Request for Proposals for leasing of water rights, noting that the session would last for 90 minutes.

RCW 42.30.110 – Executive Sessions.

(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:

(d) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;

The Executive Session concluded at 5:50pm. No action was taken.

C. POLICY BULLETINS:

(1) Policy No. 3 – **MOTION** was made by Commissioner Dan Gunkel to approve revisions to Policy Bulletin No. 3 “Compensation of Non-Union Employees” per staff’s recommendation. Motion carried.

(2) Policy No. 4-N – **MOTION** was made by Commissioner Dan Gunkel to approve revisions to Policy Bulletin No. 4-N “Unlawful harassment/Discrimination” as recommended by staff. Motion carried.

D. RESOLUTION No. 1708: “Appointment of Equal Opportunity Employer (EEO) Coordinator” – **MOTION** was made by Commissioner Dan Gunkel to adopt Resolution No. 4-N, thereby appointing the Human Resources Manager as the District’s EEO Coordinator. Motion carried.

ADJOURNMENT – There being no further business, the meeting adjourned at 6:00pm.

_____/s/
Ray A. Mosbrucker, President

_____/s/
Randy L. Knowles, Vice President

_____/s/
Dan G. Gunkel, Secretary
Date Approved: 3/08/2016

_____/s/
Kathy Loveland, Executive Assistant