

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
**Tuesday, August 11, 2020**  
**2:00 p.m.**

**Due to the office closure associated with COVID-19 precautionary standards, in person attendance is still restricted. Attendance is noted below.**

**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, and Randy L. Knowles - Secretary

**STAFF PRESENT:** Gwyn Miller - Assistant General Manager, Mike DeMott - Director of Finance and Power Management, Brandy Myers - Customer Service Supervisor, and April Greenlaw - Operations Support Assistant.

Via teleconference: Mark Pritchard - Operations Manager, Cynthia Bruce - AP/Accounting Clerk, Jim Moss, Auditor, Jeff Thayer - Materials Manager, Beth Schroder - Accountant, Kevin Ricks - Renewable Energy Assets Manager, Ron Schultz - Engineering Manager, and Luann Mata - Executive Assistant.

**GUESTS:** Public did not announce themselves.

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

**MINUTES: MOTION** was made by Commissioner Miller to approve the July 28, 2020 meeting minutes as presented. Motion carried.

**CLAIMS & PAYROLL:** Presented by Cynthia Bruce. 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 11<sup>th</sup> day of August, 2020.

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

- Accounts Payable Voucher Nos. 207988, and 207990 through 208091 in the total amount of \$877,660.65; Wire and Automated Clearing House (ACH) transaction Nos. 8801350 through 8801357, along with Electronic Funds Transfer (EFT) transaction Nos. 159 through 160 in the total amount of \$1,242,056.48 for the period ending August 11, 2020; and
- Payroll Warrant Nos. 207989 along with ACH Direct Deposit Payroll transactions 205349 through 205431 in the total amount of \$201,986.48 for the payroll period ending August 2, 2020.

Motion carried.

**PUBLIC COMMENTS:** None

**REPORTS:**

**Renewable Energy Assets Update** – Kevin Ricks presented the report for July. The plant produced 137,606 dekatherms for the month. That fell short of the 5,000 dekatherms per day goal. The plant was down for a few hours one day due to a failure in the HVAC system. Staff replaced a compressor and the plant was placed back in operation. The wellfield operation adjustments are yielding more gas, but continue to be a focus. We continue to work with Republic Services on leachate recirculation. We are also evaluating automated wellfield tuning and monitoring system options. A collection system monitor could assist with leak detection and would provide data to assist with trouble shooting the system.

Kevin also discussed his request to authorize direct negotiations for the NRU, since no bids were received. He also discussed the Call for Bid for the fall project construction.

The Instrument Tech position has been awarded to Daniel Bartholomew. Daniel came to us from Clark PUD's River Road project. He brings knowledge of Allen Bradley control systems and will be a great addition to the RNG team.

**Power and Finance Update** – Mike DeMott discussed July's executed hedges for 2022. The hedged pricing looks to beat our current budget estimates. Coal and retired generation appear to be the drivers to forward prices now. His discussion focused on the use of RNG funds. Mike asked the commissioners for feedback. Our Debt Service Coverage demonstrates our ability to pay obligated debt. So once RNG debt is paid in 2023, our DSC will likely rise above the 1.5 per policy. How we allocate funds that were used to pay RNG debt will be a focus. The board was in agreement to have a plan but don't make any adjustments until the funds are in the bank. The idea is to create a plan that is simple; focus on debt repayment but keep a reasonable level of debt for major build-outs of capital projects.

**COMMISSIONER DAN GUNKEL** - Commissioner Gunkel asked staff to work with Washington Public Utility District Association on a utility approach to addressing the increasing customer debt due to state proclamations.

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

**COMMISSIONER RANDY KNOWLES** - Commissioner Knowles did not have a report.

**ASSISTANT GENERAL MANAGER** - Gwyn Miller presented the current operational update.

- Customer Service Update - Brandy Myers discussed the current number of accounts in a bad debt status. The state proclamations have created impacts due to the continuation of the disconnect moratorium. Staff has been active in reaching out to customers to encourage payment arrangements and have been very successful. Even with the extra effort, the likelihood of uncollectable revenue continues to grow. With the proclamation extending to October 15, it will put an even larger strain on customers who are already behind. Our path forward will be to continue to reach out to our customers - residential and non-residential - to negotiate repayment plans. On another note, with the office closure we have seen an increase in SmartHub users and made progress with our auto pay program. Brandy also mentioned that we have found three power theft cases in the past month. They have been reported to law enforcement.
- Senior discounts - Brandy discussed the senior discount program. She asked the board to consider increasing the income requirement to the 2020 poverty level as well as considering a two-person household income. This will increase qualified income by 10%. We have not hit our goal in the past few years, so we hope this will allow additional seniors to benefit from the program. If approved, this change would be effective on December 2020 billings. Board action was deferred until Agenda Item C.
- Current COVID-19 Update - There are currently 16 active cases within the county. To date there have been 140 positive cases reported within the county. The peak really was in April. Gwyn discussed the state impacts and explained the staff approach to meeting the distancing requirements.
- FOIA - Gwyn also discussed our process for responding to FOIA requests and discussed the types of requests that we typically receive.
- Strategic Planning Session - Our strategic planning session will be held on August 27 in the main meeting room. The board and some staff will be present for this meeting; others will attend by phone.
- Operation WarmHeart Fundraiser - Our staff has been participating in an internal auction. Donations normally used for the employee safety banquet and our annual meeting are being auctioned to raise money for Operation WarmHeart.

**GENERAL MANAGER (ABSENT)** - 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)

**AGENDA ITEMS:**

- A. CALL FOR BID - RNG FALL OUTAGE PROJECT - **MOTION** was made by Commissioner Miller to authorize the Call for Bid of the RNG Fall Outage Project. Motion carried.
- B. RESOLUTION 1792 - AUTHORIZING DIRECT NEGOTIATIONS FOR THE NRU HEAT EXCHANGER - **MOTION** was made by Commissioner Miller to authorize the direct negotiations for the NRU Heat Exchanger. Motion carried.
- C. RESOLUTION 1791 - SENIOR DISCOUNT PROGRAM INCOME ADJUSTMENT - **MOTION** was made by Commissioner Miller to adopt Resolution No. 1791, thereby authorizing the continuation of the District's Low-Income Elderly Rate (Senior Discount) program, with increases and addition to the income guidelines, effective on billings issued December 2020 through May 2021. Program eligibility is valid for two consecutive years. Motion carried.
- D. SMALL BUSINESS CUSTOMER ASSISTANCE PROGRAM - Brandy Myers discussed the current status of the program and asked the board for consideration of extending the program past its original parameters. **MOTION** was made by Commissioner Miller to modify the Small Business CAP in response to the duration of the pandemic and economic need of small business customers. The discount will be applied to 5-consecutive months' usage after reopening and be limited to \$1,000 per business. The total of the discount to be funded is approximately equivalent to the estimated BPA financial policy surcharge relief. Motion carried.

**Adjourned** - There being no further business, the meeting adjourned at 4:24 p.m.

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Absent  
Dan G. Gunkel, President

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/S/  
Douglas B. Miller, Vice President

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/S/  
Randy L. Knowles, Secretary  
Date Approved: August 25, 2020

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/s/  
Luann Mata, Executive Assistant