

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, November 24, 2020
1:00 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 1:00 p.m. as advertised and immediately called for an executive session.

AGENDA ITEMS

- A. **EXECUTIVE SESSION: Potential Litigation MM-28** - President Gunkel called for an Executive Session at 1:00 p.m. per RCW 42.30.110 (1)(i) noting that the session would last for 60 minutes, for the purpose of discussing the Mile Marker 28 fire litigation. The Commissioners, Jim Smith, Gwyn Miller, Jena MacLean of Perkins Coie (via teleconference), and Meredith Weinberg also of Perkins Coie (via teleconference) were present for the session. The session ended at 1:56 p.m. No action was taken.

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:*

Regular Session continued at 2:00 p.m. as advertised.

PRESENT: Dan G. Gunkel - President, Douglas B. Miller - Vice President, and Randy L. Knowles - Secretary.

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, and Luann Mata - Executive Assistant.

Via teleconference: Mike DeMott - Director of Finance and Power Management, Brandy Myers - Customer Service Supervisor, Cynthia Bruce - AP/Accounting Clerk, Beth Schroder - Accountant, Ron Schultz - Engineering Manager, Kevin Ricks - Renewable Energy Assets Manager, April Greenlaw - Operations Support Assistant, Sharon Blodgett - Water-Wastewater Coordinator, Mark Garner - Engineering Customer Supervisor, and Brandon Johnson - Engineering Tech.

GUESTS: Jena MacLean and Meredith Weinberg of Perkins Coie via teleconference.

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

MINUTES: MOTION was made by Commissioner Miller to approve the November 10, 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 24th day of November, 2020.

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

- Accounts Payable Voucher Nos. 208934 through 209060 in the total amount of \$1,083,549.53; Wire and Automated Clearing House (ACH) transaction Nos. 8801386 through 8801394, along with Electronic Funds Transfer (EFT) transaction Nos. 186 through 190 in the total amount of \$16,354,286.08 for the period ending November 24, 2020; and

- Payroll Warrant No. 208933 along with ACH Direct Deposit Payroll transactions 205940 through 206023 in the total amount of \$239,852.49 for the payroll period ending November 8, 2020.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Water-Wastewater Update - Sharon Blodgett presented the report for October. Water system status letters have been sent to customers of the Glenwood water system with outstanding connection requests, as well as to the Glenwood community. Aspect is working with Russ Patton on an additional water rights application to DOE and our water crew is working to locate and correct any leaks they can find within the system. There was one service line leak located and fixed on Bird Creek Road and a capacity increase was noticed.

Engineering Update - Ron Schultz, Mark Garner and Brandon Johnson presented the report for October. Ron discussed the status of the substation inspections and the benefit the use of the new infrared camera has had on those inspections. Brandon discussed the regulator program, noting the areas of concern and the work completed this year. He also discussed the office radio system. The new system installed last spring has not operated correctly, so Day Wireless will exchange the current equipment for a new IP solution. It may also be possible for the answering service to utilize this new solution in the future. Mark discussed current system improvement projects that the engineers are working on as well as new customer connection activity.

Renewable Energy Assets Update - Kevin Ricks presented the report for October. Production was impacted in October due to the 12-day shutdown for annual maintenance. Two extra days were added to the planned outage to complete some additional efficiency updates. The time involved with restarting the plant from a shutdown has been significantly reduced due to capital projects that have been completed to date. These projects have improved our reliability factor as well. In 2021, we plan for two maintenance shutdowns. One in April and the other in October. Each are scheduled to last five days.

October Financial Report - Beth Schroder presented the report for October. The finance committee reviewed the report. The net operating margin has improved since last reported. The Local Government Investment Pool revenue continues to decline. The budget for 2021 continues to reflect this downturn. Beth also discussed that the state compliance audit is nearly complete. The state will schedule an exit interview; staff will provide that date once it is available. She also mentioned that the Moss Adams financial audit begins December 7.

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

COMMISSIONER DOUGLAS MILLER - Commissioner Miller reported that he attended the Washington Public Utility District Association meetings. The discussions focused on resurrecting the Business and Occupation tax exemption legislation, carbon initiatives, and public safety power shutoffs.

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

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

- Current COVID-19 Update - Gwyn provided the Board with highlights of the county COVID-19 status.
 - Gwyn stated that the recently increased restrictions do not affect government businesses. She discussed that some utilities have implemented travel restrictions. The discussion with the board was that we expect our employees to exercise good judgement so we are not changing the processes that we implemented back in April and have worked to improve since. We are prepared in the event that we experience a loss in workforce due to illness.
 - We have also reinstated our community outreach program. This will take place over the next few weeks while the restaurant industry has been required to reduce their service to take-out only.
 - We will have an IT update at the next meeting. With COVID-19 and all of the remote access challenges, cyber security continues to be a focal point for staff. Our system is successful in defending our infrastructures against thousands of threats every day.
 - At the last meeting, we mentioned that a grievance had been filed regarding a hiring practice. That grievance was reviewed and withdrawn after step one.
 - Former Engineering Assistant, Keith Silen, has passed away. We will provide service information when it becomes available.
 - Lastly, Gwyn mentioned that the state is considering a “home tax” to replace the tax revenues they would normally receive from businesses, sales and gasoline taxes, due to many industries being forced to transition to a work from home model.

GENERAL MANAGER - The complete report can be found at:
http://www.klickitatpud.com/topicalMenu/commissioners/GM_Reports.aspx

Starlink - Jim mentioned that he has completed a little more research on this project and it looks promising for rural areas, but it is not available yet. They are picking random people who have completed the initial request to test this product in their areas. So far, the response from those participating appears to be very positive. The advertised cost to participate in the trial is \$500 for equipment and \$100 per month for service. There is no definition as to whether the trial is temporary, or if they can continue on the program if they so choose. The only path Jim found is to sign up via a website and wait for response.

Department of Natural Resources (DNR) Taskforce - Jim also discussed that the report is due at the end of December. It appeared that we were at an impasse. However, after involving additional contacts within PUDs in the state and within DNR, it appears that we might make significant progress. There is a call on December 4 and Jim will report back to the Board regarding how that goes.

AGENDA ITEMS CONTINUED:

B. **PREQUALIFICATION OF PROFESSIONAL SERVICES CONSULTANT** - **MOTION** was made by Commissioner Miller to approve the addition of Comtech Audio Theater Security and agree to add them to the Professional Services Roster for the 2020-2021 period. Motion carried.

C. **BUDGET REVIEW: Third Draft** - Mike reviewed updates to the latest budget presentation provided for the Board, which included an updated 2020 forecast and 2021 beginning cash on hand figure. The debt service coverage and days cash on hand figures have improved as a result of these changes. The board discussed revenue options and the potential of an electric rate increase. Commissioner Knowles posed the question if this is the appropriate time to assess a 1.5% electric rate increase or not. Staff discussed options. Our 2021

