

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
**Tuesday, April 27, 2021**  
**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 Douglas B. Miller called the meeting to order at 2:00 p.m. as advertised, he then turned over the meeting to Commissioner Knowles.

**PRESENT:** Douglas B. Miller - President (via teleconference), Randy L. Knowles - Vice President, and Dan G. Gunkel - Secretary

**STAFF PRESENT:** Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, Mark Pritchard - Operations Manager, Ron Schultz - Engineering Manager, Sharon Blodgett - Water/Wastewater Coordinator, Brandy Myers - Customer Service Supervisor and Luann Mata - Executive Assistant.

Via teleconference: Alex Casimiro - AP Clerk, Cynthia Bruce - Accounting Clerk - April Greenlaw - Operations Support Assistant, Brandon Johnson - Engineering Tech, Jeff Thayer - Materials Manager, Brandon Walter - Water/Wastewater Superintendent, Mike DeMott - Director of Finance and Power Management, Kevin Ricks - Renewable Energy Assets Manager, Beth Schroder - Accountant, and Mark Garner - Customer Engineering Supervisor.

**GUESTS:** None identified themselves.

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

**MINUTES: MOTION** was made by Commissioner Gunkel to approve the April 13, 2021 meeting minutes as presented. Motion carried.

**CLAIMS & PAYROLL:** Presented by 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 27<sup>th</sup> day of April, 2021.

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

- Accounts Payable Voucher Nos. 210160 and 210162 through 210277 in the total amount of \$702,408.45; Wire and Automated Clearing House (ACH) transaction Nos. 8801464 through 8801469, along with Electronic Funds Transfer (EFT) transaction Nos. 228 through 234 in the total amount of \$1,604,416.90 for the period ending April 27, 2021; and
- Payroll Warrant No. 210161 and ACH Direct Deposit Payroll transactions 206873 through 206960 in the total amount of \$214,653.94 for the payroll period ending April 11, 2021.

Motion carried.

**PUBLIC COMMENTS:** None

**REPORTS:**

**Water/Wastewater March update** - Sharon Blodgett presented the report for March. She provided an update on the Glenwood water system findings. The crew

utilized services of ERWOW for system leak detection. Recent leak findings and repairs were presented as efforts continue to reduce the system's unaccounted for water use. By completing a system audit, we found additional unaccounted for water loss due to faulty water meters. The crew acted promptly to change these meters.

Mark Pritchard is encouraging unity within the KPUD departments and is supportive of the department needs. Crews worked together on the clearing of the water line in Glenwood with KPUD mulching equipment. We also plan to have Phillip McMillen, GIS Specialist, complete a fly over with the drone in order to provide the visual of this clearing work. We will present photos and possible video to the board in the near future.

Water Dept. staff contacted Sterling Wilson to inquire of need for water from the Bickleton water system for the Lund Hill solar development construction. They replied they do not have plans to draw water but ask that the option still be available if the need arises.

The Yakama Nation housing development in Wishram at the Gorge View Estates site is moving forward, with construction beginning tomorrow. Their planning requires four units be constructed and occupied by October 2021. Their plan is to complete these four units and to complete the buildout by year-end 2022.

### AGENDA ITEMS:

- A. GLENWOOD WATER DISCUSSION - Sharon Blodgett discussed the water/wastewater crew efforts to find and repair water leaks throughout the Glenwood system. She also discussed the number of connection requests which have been placed in a queue status as the system's water availability is evaluated. There are 246 Department of Health (DOH) approved connections for this system, 230 of them are currently utilized. There are 9 applications currently sitting in a queue to be approved and a few other customers who have inquired but not submitted applications. We have 5 customers paying for standby service who have not reached the GFC maximum accrual for standby fees. As such, they still have access to these connects provided they pay the outstanding standby fees. If they do not pay the accumulated standby fees and they reach the GFC amount, they will relinquish their connection. Staff is continuing to investigate the increase in non-metered water use.

Discussions to evaluate a plan moving forward to apply for additional water rights through the Department of Ecology and at the same time reach out to the DOH to request additional connections. Growth in the Glenwood Valley continues, however we have the same number of connections as three years ago. On November 24, 2020, the commissioners approved an addition to Policy 18- Water Customer Service that better defined the requirements to reactivate an idle service and the application process along with declaring the Glenwood water system as a finite resource. In doing so, all connection requests were placed on hold and applications were added to a queue in the order they were received. **MOTION** was made by Commissioner Gunkel based on the recommendation by General Manager Jim Smith, to authorize additional connections to the Glenwood water system per Policy 18, up to the current approved Department of Health connections. The finite water source/ moratorium will remain in place for all connection requests that exceed the approved number of connects. Motion carried.

- B. WATER/WASTEWATER RATE DISCUSSION - Jim Smith led a discussion on our water and wastewater system rate setting process. All our water and wastewater systems are small and in order for them to be sustainable, we have historically implemented small annual rate increases as necessary. Last year in the midst of the COVID-19 pandemic, the commissioners made the decision to forego rate increases on all systems to reduce financial impacts to our customers. After discussion weighing the impacts of COVID versus the implications of several years of no rate increases on the financial health of

these systems, the board directed staff to bring back a water and wastewater system rate review and rate increase proposals in the form of our traditional process for 2021 for all systems.

### **REPORTS Cont.:**

**Operations March update** - Mark Pritchard discussed the March outages statistics. High wind events have been the cause for the largest part of our outages. Most of our wind related tree issues have been tied to green trees outside of our right-of-ways. Crews continue to work on customer installations as the main focus and are completing maintenance projects as schedules permit. We awarded our new vegetation management contract and are working to get crews on site. Unfortunately, the availability of contractors and equipment are a challenge and our bid costs reflect that. Mark will continue to reach out to get contract crews on site to meet our plans. We are developing a GIS-based map showing our vegetation management work to allow us to more fully plan our work. It will be provided at a future meeting. Commissioner Knowles requested an update on our vegetation spraying process. We have equipment to complete the spraying work in house and it will be a focus this year as well. Training with Bonneville Power Administration and PacifiCorp on switching is scheduled for next week. Last week's outage brought to light the need to review communications with BPA and PAC. The commissioners also asked if we have staff trained and certified for fire response. Mark stated that the crews and staking engineers are RT130 blue card certified.

**Engineering March update** - Ron Schultz discussed the Gilmer planned outage. The metershop completed testing and replaced obsolete fuses within the substation while the crews completed difficult pole replacements while the lines were de-energized. The outage was extended approximately 45 minutes due to an equipment malfunction. This issue was resolved and the work was completed. We have a verbal switching agreement in place with PAC that is working. Ron is working with PAC to finalize and execute agreement detailing switching procedures they will follow. The main items are response time and dispatch communications. This previous outage was unusual as the PAC crew was on site before our crews and BPA did not make contact with our designated personnel. BPA stated that they lose their SCADA communications when Bingen loses power. Ron will ask Aaron Estey and Jared Balcom to evaluate this with CenturyLink. BPA's response time is usually 45 minutes from The Dalles. With the pandemic protocols last year we were unable to complete our switching review with BPA, so we have scheduled this for next week. We will ensure that all of our linemen are aware and understand the switching process and will execute as necessary. Lastly, there has been an increase in large load customer requests; this will be a topic for a future meeting discussion. Mark Garner stated that the customer work is increasing. The Echo Glenn rebuild project staking is complete and materials are on order. The NISC mobile workforce preparation is nearly complete. A few of the iPads have been distributed to the engineering and operations staff and field crews will be receiving theirs soon. Our staking engineers will have the ability to complete work order sheets in the field. The crews will have the ability to complete transmission and distribution pole inspections in the field as well with this technology. We are transitioning away from paper. The program should be ready to roll out in the next month.

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

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

**COMMISSIONER DAN GUNKEL** - Commissioner Gunkel reported that Janet Herrin was elected as the new Energy Northwest governing board director. She has 40-years' experience in public power and worked with BPA for two years as their Chief Operating Officer. Janet will take over the director position in June.

### **AGENDA ITEMS:**

C. LOW INCOME ELDERLY DISCOUNT PROGRAM - Brandy Myers discussed the current status of the program. We have not reached the program cap in past years and with adjustments made to the program for 2020/2021, including adding eligibility for two person households, this year's participation will exceed the cap by an estimated \$10,000. Brandy presented her recommendation to increase the cap so we can continue the program through May 2021 as approved within Resolution 1791. After discussion of recommendation and alternatives, **MOTION** was made by Commissioner Gunkel to rescind Resolution 1791 to discontinue the Low Income Elderly Discount as of April 2021 month-end and maintain the funding cap of \$60,000. **Commissioner's Miller and Gunkel voted in favor, Commissioner Knowles opposed.** Motion carried.

## **REPORTS Cont.:**

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

- COVID-19 update:
  - Gwyn discussed Washington State's "Road Map to Recovery" dashboard, stating that according to this information Klickitat County is only meeting the medical facility availability metric, the case count metric is being exceeded. Klickitat County is still in phase two. The governor will review these numbers on May 3. The health department may choose to roll back certain counties.
  - Our recommendation is to refrain from opening the office at this time. With the potential for a roll back of the county and the additional measures required for opening continuing to remain closed seems like the best option for now. We have also been reviewing remodel options for the White Salmon office to be include provisions for pandemic situations if possible. We will bring quotes for evaluation.
- Employee recognition lunch: We have another employee recognition lunch scheduled for 1:00 p.m. on May 11. Once we complete this luncheon, we should be caught up with the new additions and promotions that have happened over this past year.
- Public Utility Risk Management Services insurance discussion: The next PURMS meeting is scheduled for June. Gwyn will be evaluating other insurance options and strategies to reduce some of the financial impact we know will come when these rates are finalized. One area we excel but other utilities hold a higher risk is cyber security. Commissioner Knowles and Gwyn suggested that maybe Energy Northwest may have resources available to assist utilizes who struggle with the cyber security liability risk.
- Northwest Public Power Association Voting delegation: Gwyn requested that the board assign Jim Smith as the voting delegate and Gwyn Miller as the alternate so we may participate in the May 12, 2021 business meeting. **MOTION** was made by Commissioner Gunkel to approve Jim Smith as the primary representative and Gwyn Miller as the alternate to the NWPPA voting delegation. Motion carried.

**GENERAL MANAGER** - 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)

County Solar Moratorium - Jim reported on a resolution that Klickitat County Commissioners passed initiating a solar moratorium to allow time for county officials to evaluate the current process and how solar fits into this process.

Legislative Summary - The Low Carbon Fuel Standards bill and the Cap and Invest bill both passed during this legislative session. Jim will work with Dave Warren to evaluate how we will best take advantage of the opportunities and mitigate the risks these new bills present. Jim reported that Therese Hampton of the Public Generating Pool provided feedback on the Cap and Invest bill and

