

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners' Meeting**  
**Tuesday, March 08, 2022**

**AGENDA**

ONE TIME USE – **Regular Meeting** Call in number option: 844-621-3956 (Access Code: 2481 767 1681)  
**Meetings are now open to the public, attendees will adhere to the published state COVID-19 related guidelines.**

*We are continuing the use of the public teleconference line in recognition of the extension of the state of emergency's statutory waivers and suspensions pursuant to RCW 43.06.210, until terminated or rescinded, whichever occurs first.*

**KPUD Commission Meeting Start Time – 2:00 p.m. as Advertised;**

Location: 1313 S. Columbus Ave. - Goldendale, WA

➤ **PLEDGE OF ALLEGIANCE**

➤ Approval of Minutes - 02/22/2022 Meeting

➤ Approval of Claims/Vouchers for period ending 3/08/2022 *(Isabelle Carroll)*

➤ Approval of Payroll for period ending 2/27/2022 *(Isabelle Carroll)*

➤ **PUBLIC COMMENT PERIOD**

**REPORTS – 10 min. each:**

- Renewable Energy Assets February update *(Kevin Ricks)*
- Power and Finance February update *(Mike DeMott)*
- December Financial statement *(Cynthia Bruce)*
- Commissioners' Reports
- Assistant General Manager *(Gwyn Miller)*
- Manager's Bi-Monthly Report *(Jim Smith)*  
*-(see attached report)*

**GUESTS:**

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**AGENDA ITEMS – (see Manager's Report for further details)**

- A. Resolution 1815 Emergency Declaration to obtain materials subject to supply chain constrains caused by COVID-19

**ADJOURNMENT**

**FOR THE GOOD OF THE ORDER:**

- WPUA Association Meetings March 16-18
- WPUA Water Committee Meeting March 24
- Public Disclosures: Due April 15



# Public Utility District No. 1 of Klickitat County

80 Years of Service \* 1938-2018

## GENERAL MANAGER'S REPORT TO THE BOARD For the **March 8, 2022 Meeting**

### **AGENDA ITEMS:**

- A. **Resolution 1815 - Declaring a Supply Procurement Emergency Situation and Special Market Conditions** - I am asking that the board approve this resolution to allow Jeff Thayer to efficiently purchase items for inventory to make sure we can complete new services through 2023 as discussed at the last board meeting. The resolution was reviewed by Athan Tramountanas.

### **NON-AGENDA ITEMS:**

1. **Supply Chain and Inventory** - Included in your packet is a draft press release (a) that is also the right length for a Ruralite article that would be run in the April edition. This will serve as the basis for other social media postings and radio next week. Also included is a draft of the bullet points (b) Commissioner Knowles requested.

Jeff will discuss our progress on securing materials through the end of the 2023 construction year and provide you with the latest major materials list with inventory, usage and order dates for your reference.

Lastly, attached is the material shortage letter(c) staking engineers are including with their quotes advising applicants of the materials shortages and extended lead times. This letter provides information on the queue process and the requirements that must be completed by the applicant prior to entering the queue.

2. **Public Power Council Post 2028 Bonneville Power Administration Power Rates Discussion** - at the March 3<sup>rd</sup> executive meeting, direction was provided to PPC staff to issue the Post 2028 White Paper to BPA. This white paper covers the public power principles that PPC members want as a part of the BPA post 2028 rate contract discussions.

For refresh, the rates being proposed are still based on a tiered methodology. This methodology was created and implemented in 2004 and upheld the value of the federal system provided to preference customers. This allows us to improve the existing product that we understand after almost twenty years of working with the product, as opposed to recreating a new rate structure from scratch in such uncertain times.

There are still a couple of areas of major disagreement for members, but there are also many principles that we agree on. Despite this, direction was provided to PPC staff to issue the white

paper and identify the areas that are not agreed upon and discuss the reasons why they are not agreed upon by the March 31 deadline we asked for. This should allow the discussions with BPA to begin, on the many issues involved, as we work through the issues where there is conflict within public power.

The areas of disagreement primarily are how much of the system should be allocated to Tier 1 and how this Tier 1 level of generation (high water mark) is allocated to each preference customer. It is very unlikely we will ever get to complete agreement on these issues. That is not a surprise, but I am glad this is at least being talked about as opposed to everyone pretending that we all will get to the same place. The conflict arises in both of these items from the fact that those utilities who are above their high water mark loads want more system output provided to their Tier 1 allocation and those utilities who are below their existing high water mark allocations do not want to give up what they currently have and retain it for future load growth.

After March 31, BPA will be embarking on the normal public processes.

3. Dallesport Wastewater - We provided our standard rate model spreadsheet to the County and RH2 this week. The model was modified to extend the five year rate period to ten years and was modified to provide the ability to easily increase labor in the model base and see the rate impacts. We did this as RH2 is recommending increased staffing levels, which we are evaluating. RH2 will now include the 10 year capital improvement plan that was proposed in their Wastewater Plan revision.

Next steps will be to follow up shortly with a joint Klickitat County and KPUD Dallesport Wastewater System workshop including Klickitat County Commissioner Dave Sauter and PUD Commissioner Doug Miller. I expect this will be scheduled this week.

4. Legislative Bills update -
  - a. HB 1623 - This is Representative Mosbrucker's Reliability Study Bill. It has passed unanimously out of the House and Senate is moving now to the Governor for signature.
  - b. HB 5803 - This is the Rolfe's Wildfire Risk Mitigation bill. It passed out of the Senate, has been through the House Committee on Appropriations and is recommended "To Pass" by the House. It is currently in Rules before going to the House floor for vote if pulled.
  - c. State Budget Bill SSB 5693 - The bill has passed both the House (56 – 29) and the Senate (29 – 19). The bill includes \$100 million to help with arrearages for water, wastewater, electric and natural gas bills.