

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
**Tuesday, January 12, 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 Dan G. Gunkel called the meeting to order at 2:00 p.m. as advertised.

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

**STAFF PRESENT:** Jim Smith - General Manager and Luann Mata - Executive Assistant.

Via teleconference: Mike DeMott - Director of Finance and Power Management, Brandy Myers - Customer Service Supervisor, Mark Pritchard - Operations Manager, Cynthia Bruce - Accounting Clerk, Beth Schroder - Accountant, Ron Schultz - Engineering Manager, April Greenlaw - Operations Support Assistant, Alex Casimiro - AP/Accounting Clerk, Jeff Thayer - Materials Manager, Doug Senn - RNG Site Supervisor, and Mark Garner - Engineering Customer Supervisor.

**GUESTS:** None

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

**MINUTES: MOTION** was made by Commissioner Miller to approve the December 22, 2020 meeting minutes as amended to reflect the corporate name of PacifiCorp not Pacific Power and Light. 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 12<sup>th</sup> day of January, 2021.

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

- Accounts Payable Voucher Nos. 209307 through 209313 and 209315 through 209430 in the total amount of \$1,233,589.61; Wire and Automated Clearing House (ACH) transaction Nos. 8801408 through 8801415, along with Electronic Funds Transfer (EFT) transaction Nos. 199 through 202 in the total amount of \$871,911.41 for the period ending January 12, 2021; and
- Payroll Warrant No. 209306 and 209314 along with ACH Direct Deposit Payroll transactions 206196 through 206364 in the total amount of \$417,108.32 for the payroll periods ending December 20, 2020 and January 3, 2021.

Motion carried.

**PUBLIC COMMENTS:** None

**REPORTS:**

**Renewable Energy Assets** - Jim Smith presented the report for December. He also discussed the current production volume as well as reliability. There is a site meeting scheduled with Republic to discuss the leachate reinjection issues.

**Power and Finance** - Mike DeMott presented the report for December. He discussed current and forward market pricing as well as 2020 actual market prices vs. 2020 budget pricing. Impact of 2020 market pricing on White Creek Wind revenue was discussed. Commissioner Knowles inquired about future options for White Creek wind generation output/assets. Mike also discussed our non-BPA wholesale power purchases and that our hedging efforts in 2020 yielded a positive outcome as compared to budget. The goal is always to protect and preserve against budget. We continue to monitor for additional hedging opportunities in 2021. Our Renewable Identification Number (RIN) revenue has been fully invoiced. Low Carbon Fuel Standard credits and associated revenue will be lower than anticipated due to allocation of gas as Liquefied Natural Gas (LNG) verses Compressed Natural Gas (CNG). CNG is given a better carbon intensity rating than LNG. Lastly, Mike discussed debt refinancing opportunities and debt repayment scenarios. Commissioner Miller requested a finance workshop be scheduled to discuss this topic further.

**November Financial update** - Beth Schroder presented the current financial statement through November. She highlighted that there was a reduction in Low Carbon Fuel Standard revenue, Renewable Natural Gas volume revenue, and the V75 contract revenue. Our debt service coverage was slightly reduced as a result compared to the October financial report. Cynthia worked with FEMA for COVID-19 expense reimbursement. We received about \$21,000 to offset those 2020 expenses. The Moss Adams 2020 interim audit was completed in December. They will return in March for the final audit. Lastly, accounting is wrapping up 2020 financial entries to financially close out the year.

**COMMISSIONER DAN GUNKEL** - Commissioner Gunkel reported that he received a response to our November 24 "Corona Virus Relief request" from the Klickitat County commissioners. The response stated that the county was unable to grant our request as they had utilized all of the available CARES act funds and, should other funds become available, they would reach out to us to discuss collaboration. He asked that staff continue to pursue funds to allow KPUD to continue to provide relief programs to benefit our customers impacted by this pandemic.

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

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

**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)

Jim Smith recognized the re-election of Commissioner Dan Gunkel for a sixth consecutive term. "We welcome back his wealth of knowledge, experience and leadership. As he starts his 31<sup>st</sup> year, his re-election makes him the longest serving PUD commissioner in our history. This is a big milestone at our PUD, as we traditionally have had long-tenured commissioners. In fact, we have only had sixteen commissioners in our 83 years of service. Congratulations and thank you, Commissioner Gunkel."

**Vaccine** - We have received an update from the Washington Public Utility District Association that there are no specific provisions in Phase 1 of the vaccine deployment for electrical workers or water-wastewater workers at this time. They are currently listed in Phase 2 and it appears as though it would be May at the earliest. WPUDA is pressing for vaccines to be available to essential workers sooner than that.

**Rate goal** - We are working our way towards our goal of being number fifteen, relative to other public utilities, within Washington. We are now #6 on the list as of January when the 2021 utility rates were reviewed. To move to 8th on the list would take a 3% adjustment relative to the other utilities.

**Condit** - Since the December outage on the Condit to Powerdale 69 kV transmission line, staff has been in discussions with PacifiCorp. We have two goals. First is to ensure that the existing switching agreement is honored. Second, staff will continue working to ensure that there is a new agreement that recognizes they are a customer of ours for transmission services as they utilize several spans of our line to reach Bald Mountain Substation. We are planning that this agreement will allow us to switch and include annual reviews with our linemen and engineering staff. They are aware that we will pursue condemnation action if we can't improve their response time and our working relationship. There is another meeting scheduled for Friday to discuss technical items.

**Legislation updates** - We will continue to pass along the weekly bill status updates. If you want to see more detail on specific items, please let us know. Dave Warren is finding lobbying a challenge without the face to face interaction. For this legislative session, Dave's focus is on optimizing renewable value in any carbon-related legislation as in past years. We are also being supportive of new legislation for additional RNG projects as it supports a robust RNG marketplace and we are supportive of bills that benefit Washington landfills to maximize the value of the collection efforts for Republic Services.

**MM28** - Jim will coordinate an executive session.

**Water-Wastewater** - We received a record of enforcement for water rights in Ponderosa. We have a plan moving forward which will ensure the 2023 water volume.

**AGENDA ITEMS:**

A. **2021 ELECTION OF OFFICERS** -

- a. **MOTION** was made by Commissioner Gunkel to nominate Douglas B. Miller for President, Randy L. Knowles for Vice President, and Dan G. Gunkel for Secretary, which follows the standard succession protocols of the board. Motion carried.
- b. **MOTION** was made by Commissioner Miller to elect each of the officers in the position nominated. Motion carried.

**Adjourned** - There being no further business, the meeting adjourned at 4:56 p.m.

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/S/  
Douglas B. Miller, President

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/S/  
Randy L. Knowles, Vice President

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/S/  
Dan G. Gunkel, Secretary  
Date Approved: January 26, 2021

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/s/  
Luann Mata, Executive Assistant