

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, September 27, 2022
2:00pm

CALL TO ORDER: President Douglas B. Miller called the meeting to order at 2:00 p.m. as advertised.

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

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, Mike DeMott - Director of Finance and Power Management, Cara Smith - AP/Accounting Clerk, Sharon Blodgett - Water/Wastewater Coordinator, Brandon Johnson - Engineering Supervisor, Mike Nixon - Operations Manager, Mark Garner - Engineering Supervisor, Kevin Ricks - Renewable Energy Assets Manager, and Luann Mata - Executive Assistant.

Via teleconference: Geoffrey Lacefield - System Engineer, Cynthia Bruce - Accountant, and April Greenlaw - Operations Support Assistant.

GUESTS: Larry Hocter

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

MINUTES: **MOTION** was made by Commissioner Knowles to approve the September 13, 2022 meeting minutes as presented, Motion carried.

CLAIMS & PAYROLL: Presented by Isabelle Carroll 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 27th day of September, 2022.

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

- Accounts Payable Voucher Nos. 214295 through 214402 in the total amount of \$936,609.39; Wire and Automated Clearing House (ACH) transaction Nos. 8801703 through 8801704, along with Electronic Funds Transfer (EFT) transaction Nos. 383 through 387 in the total amount of \$287,354.06 for the period ending September 27, 2022; and
- Payroll Warrant Nos. 214293-214294 and ACH Direct Deposit Payroll transactions 210132 through 210222 in the total amount of \$244,572.72 for the payroll period ending September 11, 2022.
- and Amendment of transaction numbers for ACH Direct Deposit Payroll transactions 210045 through 210130 originally approved September 13, 2022 to reflect the updated transaction numbers to be 210045 through 210131, there was no change to the total amount approved of \$220,071.92.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Water Wastewater Report - Sharon Blodgett presented the department report for August. Sterling Wilson will continue to withdraw water from the Roosevelt water system through November 2022. They have withdrawn approximately 463 million gallons. This equates to a \$93,000 income benefit to the Roosevelt system. Avangrid requested access to bulk water supply from the Bickleton water system. Staff is evaluating terms and conditions for a lease agreement now. This option was not available to Sterling Wilson due to their need for larger water volumes not available from Bickleton. The Avangrid contract, if approved, could yield as much as a \$200,000 income benefit for this system. This project would withdraw water over a two-year period from March 2023 through October 2024. The installation of the fire hydrant in Klickitat that was requested by the community council is complete. Mr. Ell, who

originally submitted the petition for the fire hydrant sent staff a thank you message for the installation. Sharon, Russ Patton and Brandon Walter will attend the Infrastructure Assistance Coordinating Council (IACC) rural funding program conference in Wenatchee next month. The conference is important as it will assist staff and provide resources for obtaining funding opportunities for water and wastewater projects.

Commissioner Knowles inquired about the status of the increased water rights in Glenwood. The public hearing portion of the process is complete and the application is still being processed by the tribal ecology department. The Dallesport wastewater budget review is complete and staff is preparing the information to submit to Klickitat County. We provided capital, revenue and cost forecasts, but did not attempt to determine specific revenue sources for capital projects or determine rates. We will continue to act in a support role for this system.

Operations Report - Mike Nixon presented the department report for August. Reliability was 99.765% for August. The Canyon Road breaker tripped twice under fire condition protection settings. Patrolling overhead lines prior to re-energizing as required in our Wildfire Risk Mitigation plan increased the length of the outage in both cases. The first event there were no issues found, however on the second trip, we found a broken jumper with our drone. The crew replaced the jumper and this line has not tripped since. There was also a faulted cable in Dallesport. This fault occurred on the direct buried line that has since been replaced.

We have received over 100 applications for the pre-apprentice position. We are requiring that potential candidates demonstrate their interest by having attended a climbing school and obtaining a CDL on their own; this will reduce the number of qualified applicants. Goldendale crews have spent 35% of their time in August on customer installations and 65% on system maintenance. They have nine customer jobs on the current schedule. In White Salmon, crews spent 40% of their time on customer installations and 60% on maintenance. White Salmon has nine jobs ready and scheduled. Kemp West, our vegetation management contractors still have 3 crews working on the property. We are still hopeful that we will obtain a fourth crew. There have been 122 miles trimmed year-to-date. John Starr is reviewing and approving the contractor's work. There are a few minor clean up jobs to return to. Juan Randal was contracted to complete vegetation spraying in Snowden and we have completed 107 hours of mulching this month. North Idaho Contractors will complete the pole test and treatment of the Husum to Glenwood 69kV line soon.

Sabotage reporting and substation ownership were August's safety focus.

Engineering Report - Brandon Johnson presented the department report for August. He discussed different system protection technologies for fire mitigation. We have 50 trip saver devices on order, which are devices that fit into a cutout, but are non-expulsion. They are programmable and can be coordinated with other devices within the system. The metershop is also evaluating improved and less expensive recloser technologies.

We continue to have radio communication challenges on the west end of the county. To resolve these issues, additional communication equipment is being added to Stacker Butte and Flat Top. This should significantly improve radio coverage in the Trout Lake and Glenwood valleys. This equipment should also improve communications in the Klickitat canyon as well, but coverage will be evaluated once these projects are complete. We are also working with Klickitat County Emergency Management to increase the battery backup capacity at all of the radio sites we share with them before heading into winter. Russ and Chris Evans are working on a wireless backhaul from Goldendale to Diamond Gap and Haystack. This infrastructure will increase access to a communication pathway for our water and wastewater SCADA systems and other field equipment to reach Glenwood, Wishram and Dallesport.

Mark Garner stated that the fall rush for new connections has begun. The stakers are meeting with customers who want to get installations complete before the snow flies. The Titan crew is working on the Dot Road rebuild and should be complete in approximately four weeks. Ten additional poles will be upgraded before they leave for the year. The Flat Top underground is installed and the second Titan crew is removing the overhead now. There are a few odds and ends left in Dallesport but the majority of the project is complete. Mark reviewed the Courtney Road project and stated that engineering continues on the James Dean pit reroute. The capital project budget is being completed and a material list for these projects is being compiled for proposed 2023 projects. Phillip McMillen is completing 230 kV transmission right of way inspection work with a drone.

Gwyn Miller also informed the board that Mark and Brandon have transitioned office space and Sharon will be moving into Mark's old office. Gwyn will continue to bring back workspace transitions as we evolve.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller discussed his thoughts on Governor Inslee's electrification goals and electrification of transportation. His concerns are with reliability of the power grid.

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

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

ASSISTANT GENERAL MANAGER -

- Leadership Training - Walt Natemeyer conducted a high-level leadership training on September 20, with senior staff. The focus was on team effectiveness and communication.
- Annual Meeting October 10 - The agenda is complete and we are excited to be back in person. Jim Smith has emphasized the importance of employee participation and has requested employees to limit paid time off requests on this date.
- Executive Session - We are asking the board agree to hold an Executive Session on October 11 at 3:00 p.m. to discuss Mile Marker 28 mediation.
- Health Fair - We have scheduled our onsite Health Fair blood draw for the morning of October 12. Klickitat Valley Health employees will be on site at the Goldendale office from 7a.m. to 9:30a.m. Gwyn asked the board to agree to offer once again the \$500 VEBA incentive to each employee who participates as we have done the past three years. The board concurred this should be an annual approved incentive expense. A **MOTION** was made by Commissioner Gunkel that the PUD provide a \$500 VEBA incentive to each employee who participates in our annual health fair blood draw. This would apply annually without further approval. Motion carried.
- Travel for Training - The NISC's annual Member Information Conference (MIC) is in Nashville this week. Isabelle Carroll and Brandy Myers are attending. This has proven over the years to be a valuable conference. Jim Brokaw and Patrick Carroll traveled to Utah for a Landis+Gyr meter integration conference.
- Operational Updates -
 - Our union contract is now open and negotiations will begin soon. Gwyn has reviewed wage comparisons for all job descriptions.
 - We will hold a work orders and inventory review in October.
 - We have received response to the retiree medical survey. Out of 20 utilities, 15 do not offer medical coverage for past employees over the age of 65.

GENERAL MANAGER - The complete report can be found at:

http://www.klickitatpud.com/topicalMenu/commissioners/GM_Reports.aspx

In addition to the written report, Jim Smith presented the following information:

- Small Modular Reactors (SMR) Update - Kevin Ricks provided an update on potential project options we are evaluating. Commissioner Gunkel asked that we bring in an expert from the established commercial nuclear generation industry to talk about why they are not embracing SMRs to gain their perspective.
- Residential Rate Comparisons - We currently sit at #10 on our utility comparison list. For perspective, this is 8.2% from #4 and 8.4% from #15. This indicates that we currently utilize about \$3.5M for rate subsidization it would take an additional \$3M in revenue annually to reach the goal of #15. This information is for perspective only.
- DNR / Electric Utility Wildfire Mitigation Advisory Committee - The committee members have finally been approved by the Land Commissioners. There is a quorum, but there are still vacant positions. We did approve the draft master agreement and Jim will work with the Washington Public Utility District Association (WPUDA) to

gain PUD support of the master agreement when the roll out happens. Fire investigation protocol is the other focus Jim has on the committee. Commissioner Miller suggested that Jim Smith be a guest presenter at the next WPUA Association meeting to gain participation and support of this agreement from other PUD's.

AGENDA ITEMS:

- A. **BP-24 TIER 2 PRODUCT DECISION: MOTION** was made by Commissioner Knowles to approve the utilization of the BPA Tier 2 product for the BP-24 period. Beginning October 1, 2023. Motion carried.

- B. **PRE-QUALIFICATION OF PROFESSIONAL SERVICES CONSULTANTS:** **MOTION** was made by Commissioner Knowles to approve the addition of the two firms listed and agree to add them to the Professional Services Roster for the 2022 period. Motion carried.

Adjourned - There being no further business, the meeting adjourned at 3:57 p.m.

/S/
Douglas B. Miller, President

/S/
Randy L. Knowles, Vice President

/S/
Dan G. Gunkel, Secretary
Date Approved: October 11, 2022

/s/
Luann Mata, Executive Assistant