

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, October 24, 2023
2:00pm

CALL TO ORDER: President Randy Knowles called the meeting to order at 2:00 p.m. as advertised.

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

STAFF PRESENT: Jim Smith - General Manager, Cara Smith - Accounting Clerk, Mike DeMott - Director of Finance and Power Management, Brandon Johnson - Engineering Manager, Mark Garner - Engineering Supervisor, Anita Clever - Energy Services Specialist, Cynthia Bruce - Accountant and April Greenlaw - Operations Administrative Assistant.

Via teleconference:

Kevin Ricks - Generation Assets Manager, Sohn Kartes - Purchasing Manager, Alex Casimiro - LFG Support Assistant, Andrew Jaekel - Buyer, Brandy Myers - Customer and Accounting Services Manager, Phillip McMillen - GIS Specialist, Patrick Carroll - Contractor, Courtney Collins - Support Assistant and Shelby Manka - Engineering Support Assistant.

GUESTS: Shanea Harpe, Marilyn Enochs and Renee Sipe

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

MINUTES: MOTION was made by Commissioner Miller to approve the October 10, 2023 meeting minutes as presented. Motion carried.

CLAIMS & PAYROLL: Presented by Cara Smith. 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 October, 2023.

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

- Accounts Payable Voucher Nos. 217546 through 217673 in the total amount of \$734,692.38; Electronic Funds Transfer (EFT) transaction Nos. 522 through 526 and Wire and Automated Clearing House (ACH) Nos. 8801863 through 8801867 in the total amount of \$1,089,478.36 for the period ending October 24, 2023; and
- Payroll ACH Direct Deposit Payroll transactions 212766 through 212847 in the total amount of \$294,877.67 for the payroll period ending October 8, 2023.

Motion carried.

PUBLIC COMMENTS:

Shanea Harpe attended the meeting to speak regarding the Advanced Metering Infrastructure (AMI) opt out policy. Ms. Harpe discussed her concerns pertaining to the health effects of radio frequency (RF) emissions from the meters, privacy concerns related to time-of-use metering and the fact that FCC and UTC are not regulating what KPUD is doing with the metering program. She presented information she collected regarding other utilities opt out policies, including those regulated by the UTC which do not apply to Public Utility Districts. She attended the Trout Lake community meeting, and understood that we initially did not want to

pursue an opt out policy. Her research noted that out of twenty-two PUD's, six of them do not offer AMI or AMR and are continuing self and meter reader read routes. She feels this is a reflection of how we listen to our customers. There is only one other utility requiring a meter change and have the RF disabled at a high price. The time of use metering does have the ability to collect load and further information beyond what the utility determines they wish to collect. Ms. Harpe feels this is a breach of privacy and that we can see into the customer's home.

The regulations she's found allows for more flexibility to allow a renter to have options, since they are the ones exposed to the RF and the data collection. They have made accommodations for low income, seniors and disabilities. Their fees are very low and they've referenced allowances. Ms. Harpe questioned why the board hasn't looked at the widespread county before rolling this out. Ms. Harpe has sent certified letters, which needed signed, to each of the board members, of which no one signed.

Commissioner Knowles noted that he has spoken with Ms. Harpe previously at the community meetings.

Marilyn Enochs addressed the board stating when she saw the opt outs for the other counties within the state, most were lower priced, except for one. The opt out policy she received from KPUD was full of restrictions making it impossible to opt out. She would like to demand a fair opt out without all of the restrictions. Jim Smith noted that some of the data being presented is the same as what we have found, but not everything and he disagrees with her conclusions.

Renee Sipe requested a fair opt out policy as she is in a rental while building her home. The landlord is agreeable with her keeping the existing meter, or an RF-disabled meter. Ms. Sipe has several opt out forms from other counties which allow customers to indicate which meter they'd like to have. She stated her family moved to Trout Lake to live in a healthy area and are working to reduce their toxic load. Ms. Sipe concluded that she is concerned that there are so many restrictions for a customer-focused PUD and is unsure of how the customer focus aligns with AMI. She thinks we need to look at the other counties, to see if we can line up our practices with theirs.

Commissioner Knowles asked if anyone would like to say anything else online, or from the board and if there is any input on whether we reevaluate the opt out.

Commissioner Gunkel would like to have the time to review the documents provided from Ms. Harpe, Ms. Enochs and Ms. Sipe, and address this at the next meeting. He also asked the guests whether they've had an opportunity to review any of the mitigation efforts, and that staff would be willing to share this information.

Commissioner Miller inquired whether Allegiant has changed the meters at any of these locations. Commissioner Knowles said that we wouldn't be changing the meter if we have an application under review, until a determination has been made. If we haven't received an application, then the meter exchange would commence.

Commissioner Miller also advised that he thought we should hold off on installing an AMI meter at each of these locations until the next board meeting to determine whether we change the opt out policy. He also extended an invitation to each Ms. Harpe, Ms. Enochs and Ms. Sipe to attend the next meeting and reiterated we will reinvestigate and make a decision. Jim said we will continue to follow policy as approved.

Commissioner Knowles then asked staff to bring information back to the board for further discussion.

REPORTS:

Engineering /Operations September Update - Brandon Johnson and Mark Garner presented the Engineering and Operations reports for September.

The meter shop spent three days in training for the gateway and router installations with Command Center and our AMI management software training to follow soon. They have also spent the past week deploying gateways; Box Canyon and Darland gateway installations are complete and the White Salmon crew will be installing gateways in Glenwood ahead of the Allegiant technicians moving to the area. We've found five hot sockets issues which allowed us resolve what could have been dangerous situations with customer's meterbases. Coburn Electric was able to swiftly remedy these issues.

The Sturgeon contract crew assisted our crews during the Rock Creek to White Creek 230KV line outage. We are completed upgrading our five radio repeaters DC battery back-up systems to allow for several days' worth of back-up. We continue to improve our communications system and are hoping to piggyback on the county's radio system in the future.

We are seeing a slight increase in new connections during the fall rush, but crews are focused mostly on District maintenance and construction activity.

Mark provided an Operations update. We are falling just under our reliability goal for the year. Kemp West has three crews working in Trout Lake still and have completed 114 miles for the year, with 13 completed in September. Commissioner Miller inquired whether our in-house tree crew is focusing on mulching or tree trimming, and whether one should take priority over the other. Jim confirmed Dale Stelter is splitting his time between both, addressing hazard trees as they're reported and following the contractors for right-of-way mulching.

Energy Services Annual Update - Anita reported we have a balance of \$54,767.47 to transfer to the next BPA budget cycle.

In BPA fiscal 2023, rebate projects totaled \$148,769.29. The majority of the commercial customers were comprised of small businesses with most of the projects consisting of LED lighting.

Anita already has projects lined up for the next budget cycle of 2024-2025 that total about 50% of the budget.

Based on net metering program projections, Anita expects we will meet the state required minimum participation level by the end of the month. We also have approximately 700kW of pending installations. The tax credit for residential solar has been bumped back up.

The Clean Energy Transformation Act (CETA) was enacted in 2019, which mandates the Washington PUDs to transition to 100% carbon-free electricity to meet their customer load by 2045. Anita reported on our progress. Commissioner Knowles asked whether any of our BPA-funded projects count towards the CETA requirements. Anita confirmed that the low-income benefits count. She also noted that Operation Warm Heart doesn't qualify because the program is need based, not income based. However, our low-income senior discount program does qualify as this is based on income.

We will review our implementation plan at the beginning of next year which will include a new template for the Clean Energy Implementation Plan (CEIP) which is required every four years, with our next revision in 2026.

COMMISSIONER RANDY KNOWLES - Commissioner Knowles and Jim met with a large data center customer to discuss their project. He also noted that he participated in a phone call with the state auditors to discuss risk assessment.

He also plans to attend the Public Utilities Risk Management Services (PURMS) meeting the first week of November and will provide an update on budgets and insurance costs at the next meeting.

COMMISSIONER DAN GUNKEL - Commissioner Gunkel, Jim and Gwyn Miller attended a meeting with the Yakama Power manager, and two members of the Yakama Tribal Council to discuss energy and customer issues.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller attended the WPUA preliminary budget meeting via Zoom. He expects the budgets to be approved with a 4% increase on our monthly rates. He also attended the entrance meeting with the state auditors alongside Jim and Cynthia Bruce.

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

AGENDA ITEMS:

- A. **CLEAN ENERGY IMPLEMENTATION PLAN ANNUAL RENEWAL - MOTION** was made by Commissioner Miller to approve the 2022-2025 Clean Energy Implementation Plan for 2024 as presented this day, October 24, 2023 with no changes from the publicly adopted version approved on December 14, 2021. The requirement for annual approval is still in force and effect for 2024 and 2025. Motion carried.
- B. **2024 OPERATING BUDGET OVERVIEW** - Jim and Cynthia Bruce summarized the financial forecast including the draft 2024 operating budget. Mike then reviewed his model of cash flow and the income statement with rate revenue increase of 4.5% for 2024.

Commissioner Gunkel asked whether we are paying interest on interest and Mike said no. Commissioner Knowles then asked what the net RNG revenue will be when PSE assumes all of the RNG contract. Mike said it would be \$22.5M, versus the current \$19.5M

Commissioner Miller asked staff to follow-up on general facility charges (GFCs) for electric side of the utility. Commissioner Knowles thinks that we should take into consideration load growth paying for load growth and that we should engage other agencies such as the county, port districts, mayors, etc. for their perspective as this has the potential to impact load growth.

- C. **CARBON FREE POWER SOURCE, SMALL MODULAR NUCLEAR REACTOR INVESTIGATION** - Jim Smith reported no updates.

Adjourned - There being no further business, the meeting adjourned at 5:03 p.m.

/S/
Randy L. Knowles, President

/S/
Dan G. Gunkel, Vice President

/S/
Douglas B. Miller, Secretary

/s/
April Greenlaw, Operations
Administrative Assistant

Date Approved: November 14, 2023