

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, February 12, 2019
2:00pm

CALL TO ORDER: President Dan G. Gunkel called the meeting to order at 2:00 p.m. as advertised.

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

STAFF PRESENT: Gwyn Miller- Director of Human Resources and Business Services, Kevin Ricks- Generation Assets Manager via tele-conference, Mike DeMott- Power Manager, Mark Pritchard- Operations Manager, Jeff Thayer- Purchasing Manager, Cynthia Bruce- AP/Accounting Clerk, Eileen Kelsey- Accounting Clerk Trainee, and April Greenlaw-Operations Support Assistant.

GUESTS:

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

MINUTES: **MOTION** was made by Commissioner Miller to approve the January 22, 2019 meeting minutes as presented. Motion carried.

CLAIMS & PAYROLL: Presented by Eileen Kelsey. 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 12th day of February, 2019.

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

- Accounts Payable Voucher Nos. 115134 through 115139 in the total amount of \$78,089.93, 203187 through 203309 in the total amount of \$921,118.65 and Wire, ACH and EFT Nos. 8801103 through 8801109 in the total amount of \$147,043.19 EFT Nos. 1 through 3 in the total amount of \$67,892.81 for the period ending February 12, 2019; and
- Payroll Warrant No. 43385 & 203189 and ACH Direct Deposit Payroll transactions 9921065 through 9921148 & 201902 through 201982 in the total amount of \$379,295.60 for the payroll periods ending January 20, 2019 & February 3, 2019.

Motion carried.

PUBLIC COMMENTS: NA

REPORTS:

Power Management – Due to the cold front, there has been a large price spike upward of \$200 for the heavy load. We have been well protected from these high prices due to hedging non-Bonneville Power Association (BPA) purchases at \$23.66. The White Creek generation is roughly 1000MWh's under production. However, we are expecting to exceed the budgeted revenues due to hedging. Our February generation is only at 850MWh and we have budgeted over 5000MWh. Looking back at the 2018 BPA monthly load, we were very close to the forecast. In February 2018, there was actually a peak record set. For the monthly reporting, Power Management is looking at changing the view of the reports to look more like a dashboard view with

gauges. This should shorten the length of the report while still offering the same information. The strategic plan has put a lot of focus into the debt repayment. There is an early analysis of using a surety product as a way to free up and reduce debt. Also, the Build America Bonds will be callable on December 1, 2019. We are looking into a bank loan as a possible alternative to bond refinancing if we choose to move forward calling the bonds. These analyses will be discussed with staff and presented to the Board.

Renewable Natural Gas (RNG) Update – The RNG facility is operating 50% better than last month. Twelve days ago, a leak was discovered in the same system that had an issue with the manufactured elbow. Repairs were made, and within a few days of starting back up, another leak was detected in the same section of piping. This leak was on the bonnet end of the oxygen reactor heat exchanger. Morrow Brother's will pay to replace approximately 100-foot section of the stressed pipe with 316 stainless steel and the bottom heat exchanger with key components comprised of 316 stainless. Kevin asked for and received a quote to upgrade the heat exchanger materials to entirely 316. The difference in costs to upgrade the steel will be approximately \$48,000. KPUD is planning to pay the additional costs to upgrade the steel. The 316 stainless is a more corrosion-resistant steel to utilize in this application. RNG is moving ahead at full speed to have either Morrow Brother's or CH Murphy in Portland manufacture the new pipe. RNG will continue to run for as long as possible in the interim.

Commissioner Gunkel inquired if the remainder of the system is as susceptible to corrosion as the 100-foot section due for replacement. Kevin advised that the issues are confined to this 100-foot section of the plant and a corrosion-engineering firm has investigated the problem. The investigation report is pending.

COMMISSIONER DAN GUNKEL – Commissioner Gunkel was planning to attend an Energy NW meeting in Olympia but due to inclement weather, did not attend.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller was scheduled to go to PUD on the Hill in Olympia on Thursday but due to highway closures, has decided it is best not to attend.

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

In addition to the written report, Gwyn Miller presented the following information:

- WPUDA – we received notice that there have been phishing attempts via emails and text messages. The best thing to do with these emails or text messages is to delete them immediately. While our email security is strong, cell phones can be susceptible to viruses through these scams.
An email was sent out by the KPUD IT Department warning all employees that a phishing email was sent to employees threatening his/her Klickitat PUD account to be shut down unless verification was attained. This was a scam and employees should be alert.
- Open Public Meetings training- This training will be postponed until the Commission meeting on February 26, 2019 and will last approximately 15 minutes.
- Fiber Outage- Gwyn asked Mark Pritchard for an update on the fiber outage on the 230kV line. Engineering hired a contractor to complete the work as the height of the poles were above what KPUD equipment could reach and they were not climbable. The day the repairs were started was the first day the

snow hit. We were able to complete the repairs while BPA was down for approximately 36 hours. The work was completed by the BPA deadline.

AGENDA ITEMS:

- A. PROFESSIONAL SERVICE APPROVAL – **MOTION** was made by Commissioner Miller to approve the renewal of the firms listed and agree to add them to the Professional Services Roster for 2019. Motion Carried.
- B. RESOLUTION #1770 SURPLUS OF DOMNICK-HUNTER SILOXANE REMOVAL SYSTEM –**MOTION** was made by Commissioner Miller to approve Resolution 1770-Surplus of Domnick-Hunter Siloxane Removal System. Motion carried.
- C. RESOLUTION #1771 SURPLUS OF SULFA TREAT TANKS –**MOTION** was made by Commissioner Miller to approve Resolution 1771-Surplus of Sulfa Treat Tanks. Motion carried.
- D. OPEN PUBLIC MEETING ACT TRAINING –this item has been postponed until the Commission meeting on February 26, 2019.
- E. EXECUTIVE SESSION: Review of Performance of a Public Employee – this item has been postponed until the Commission meeting on February 26, 2019.

Adjourned – There being no further business, the meeting adjourned at 3:10 p.m.

/S/
Dan G. Gunkel, President

/S/
Douglas B. Miller, Vice President

/S/
Randy L. Knowles, Secretary

/s/
April Greenlaw, Operations Support
Assistant

Date Approved: 02/26/2019