

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
**Tuesday, May 28, 2024**  
**2:00pm**

**CALL TO ORDER:** President Randy L. 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, Gwyn Miller - Assistant General Manager, Mike Nixon - Operations Manager, Brandon Johnson - Engineering Manager, Kevin Ricks - Renewable Energy Assets Manager, Shelby Manka - Accounts Payable Clerk, Sharon Blodgett - Water/Wastewater Coordinator, Brandon Walter - Water/Wastewater Superintendent, Cynthia Bruce - Accounting Supervisor, Russ Patton - Project Engineer and April Greenlaw - Operations Administrative Assistant.

**VIA TELECONFERENCE:** Doug Tuning - RNG Supervisor, Brandy Myers - Customer and Accounting Services Supervisor, Mike DeMott - Director of Finance and Power Management, Patrick Carroll - IT Consultant, Sarah Honkala - Accountant, Courtney Collins - Support Assistant.

**GUESTS:** Tracy McCune

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

**MINUTES:** **MOTION** was made by Commissioner Miller to approve the May 14, 2024 meeting minutes as presented. Motion carried.

**CLAIMS & PAYROLL:** Presented by Shelby Manka 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 28<sup>th</sup> day of May, 2024.

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

- Accounts Payable Voucher Nos. 219470 through 219593 in the total amount of \$830,777.35; Electronic Funds Transfer (EFT) transaction Nos. 604 through 610 and Wire and Automated Clearing House (ACH) 8801967 through 8801975 in the total amount of \$4,391,432.40 for the period ending May 28, 2024; and
- ACH Direct Deposit Payroll transactions 214121 and 214207 in the total amount of \$274,003.99 for the payroll period ending May 19, 2024.

Motion carried.

**PUBLIC COMMENTS:** Tracy McCune inquired about a grant obtained by the Klickitat County Board of Commissioners for communication purposes. In response, Russ informed the attendees that the grant was to improve voice radio communications within the county, leveraging resources available at Stacker Butte.

**REPORTS:**

**Renewable Energy Asset Report** - Kevin Ricks delivered the departmental report for April, highlighting a total production of 102,692DTH. This output was influenced by scheduled maintenance, including the replacement of dehydration media over a two-day period. Additionally, a damaged oxygen vessel from the previous winter was

replaced, with the implementation of positive isolation measures to prevent recurrence of overheating issues caused by an earlier oxygen leak.

Kevin mentioned discussions held with CO<sub>2</sub> stakeholders in Atlanta, Georgia. Commissioner Gunkel inquired about the pricing of the CO<sub>2</sub>. Commissioner Knowles questioned whether Kevin has conveyed our disinterest in arbitrary standards, to which Kevin confirmed discussions stressing standards regarding odor and appearance. Commissioner Miller inquired about the financial difference between industrial CO<sub>2</sub> and beverage grade.

Kevin responded to a question from Commissioner Gunkel last meeting regarding compressors 554 and 555 and whether they would typically sustain damage during a hard shutdown. He reported that compressor 554's oil tests showed an increasing trend in iron levels, indicating potential issues. We opted to postpone replacement until this fall to avoid premature maintenance. He confirmed that it would likely not have failed if it had been replaced.

Commissioner Gunkel raised his concerns about the Bonneville Power Administration's Rock Creek substation outage affecting RNG operations, expressing worry about potential reliability issues with BPA's management and maintenance of the substation. Commissioner Gunkel noted annual outages and their duration, and questioned how BPA could overlook a potential problem with the capacitor bank. Commissioner Knowles echoed these concerns. Jim committed to providing updated reliability statistics for this substation.

**Operations Report** - Mike Nixon presented the department report for April stating that while customer work is slow, there has been an uptick in customer work activity. Currently, schedules are about two-weeks out across both sides of the county although most of the work is maintenance. The Goldendale crew has begun the Sundale/Burn Rd project and Kemp West has completed half the required mileage for the year. Commissioner Gunkel advised there were several trees along the hard bid that he does not believe meets spec. Both April Greenlaw and Gwyn Miller confirmed John Starr has the crew going back to re-visit a few locations on Satus Pass.

Mike advised that the PUD tree trimming crew is focusing on mulching around the county as the weather has improved.

Commissioner Miller commented to pass along thanks for raising the flag on the digger derrick at the warehouse for Memorial Day. He has received positive feedback from the community.

**Engineering Report** - Brandon Johnson provided the departmental report covering April and May. Progress continues on the engineering design for the Trout Lake substation. Nathaniel is working on completing the surveying and corner establishment for the property. Once this is complete, we plan to submit the paperwork necessary to divide the parcel and request surplus of a portion of the property.

EE Clouse construction is currently underway for BPA. The project construction is being managed by Don Brantner. The power transformer has had several issues during assembly and testing. We have retained engineers to assist to ensure a reliable product. Productive discussions with BPA have taken place regarding the potential use of the BPA Goldendale substation as a backup. When Commissioner Miller raised questions about responsibility for the transformer issue, Brandon assured that the manufacturer would cover the costs, pending contract review, with no current hindrance to the project.

Brandon presented an electric system loading map derived from AMI data collected during the winter cold snap for the Box Canyon/Woodland Rd feeder project area. As a result of this data, we are planning to replace the original project, which was a 3-mile total rebuild from Woodland Rd to Hwy 97, with route that is one mile longer, but offers more flexibility and voltage support for a larger area.

**COMMISSIONER RANDY KNOWLES** - Commissioner Knowles had no report.

**COMMISSIONER DAN GUNKEL** - Commissioner Gunkel will be meeting with the representative from the county for the LFG Infrastructure Fund. He will update the board after that meeting.

**COMMISSIONER DOUGLAS MILLER** - Commissioner Miller reported that PGE has decided to invest in a transmission line in South Dakota, aiming to incorporate 3200MW of wind power into their system. BPA has been actively replacing poles on the BPA Chenoweth to Goldendale 115 kV transmission line, both near the pole yard and along Hwy 197. Furthermore, Cowlitz is planning to construct a landfill gas electric generation facility using reciprocating engines.

**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)

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

- **General Facilities Charge** - Discussion on the General Facilities Charge (GFC) for electric services was held with Cynthia Bruce and Russ Patton presenting. The board raised questions regarding electrification, larger residential properties and related matters, drawing parallels to the water/wastewater systems. Commissioner Gunkel queried other utilities' practices in this regard, expressing the belief that the aid in construction (AIC) and existing rates already cover such expenses. Jim clarified that the AIC covers line extensions, and current rates address facility costs across all customers. Commissioner Miller voiced support for the concept, suggesting that its implementation should be timed appropriately. Commissioner Knowles acknowledged the rationale behind exploring this approach, emphasizing the importance of avoiding double-counting of funds. He proposed deferring further discussion but advocated for continued evaluation of its potential merits. The board concurred with this direction to staff.

**ASSISTANT GENERAL MANAGER** - Gwyn Miller shared that the safety banquet is scheduled for this Saturday, with dinner starting at 5 PM. The fourth day of arbitration will take place next Tuesday. On Wednesday, there will be a PURMS meeting.

**AGENDA ITEMS:**

A. **RESOLUTION 1854- SURPLUS OF VEHICLES** - **MOTION** was made by Commissioner Gunkel to adopt Resolution 1854 authorizing staff to surplus the vehicles listed. Motion carried.

B. **RESOLUTION 1855- POLE ATTACHEMENT FEE** - **MOTION** was made by Commissioner Gunkel to adopt Resolution 1855 authorizing staff to update the pole contact fees. Motion carried.

C. **PRE-QUALIFICATION OF CONTRACTORS** - **MOTION** was made by Commissioner Gunkel to approve the addition of the contractors provided. Motion carried.

D. **PUBLIC RATE HEARING** - Jim Smith presented rate recommendations and the rationale for each water and each waste water system. He confirmed that customers in all systems have been sent letters with similar information.

Sharon reviewed discussions within staff regarding bulk interruptible water rates and proposed an increase from \$20 per thousand gallons to \$30 per thousand gallons. This proposal is based on comparisons with neighboring utilities and considerations for community impacts.

Public Comment Period: During the public comment period, Lyle resident Tracy McCune expressed concern about pending public records requests and

