

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, October 8, 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 and Douglas B. Miller - Secretary;
Commissioner Dan G. Gunkel - Vice President (via teleconference)

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, Shelby Manka - Accounting Clerk, Kevin Ricks - Renewable Energy Assets Manager, Cynthia Bruce - Accounting Supervisor, Mike DeMott - Director of Finance and Power Management, and April Castillo - Operations Administrative Assistant.

Via teleconference: Seth Jones - Buyer, Sarah Honkala - Accountant, Patrick Carroll - IT Consultant, Mike Nixon - Operations Manager, Mark Garner - Engineering Supervisor, Alex Casimiro - RNG Support Assistant, Brandon Johnson - Operations Manager, Brandy Myers - Customer and Accounting Services Manager, and Courtney Collins - Engineering Support Assistant.

GUESTS: Russ Schneider, EES Consulting

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

MINUTES: **MOTION** was made by Commissioner Miller to approve the September 24, 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 8th day of October, 2024.

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

- Accounts Payable Voucher Nos. 220587 through 220757 in the total amount of \$ 1,206,302.02; Electronic Funds Transfer (EFT) transaction Nos. 652 through 656 and Wire and Automated Clearing House (ACH) 8802050 through 8802055 in the total amount of \$172,296.20 for the period ending October 8, 2024; and
- ACH Direct Deposit Payroll transactions 214897 and 214985 in the total amount of \$266,262.66 for the payroll period ending September 22, 2024.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Renewable Energy Assets Report - Kevin Ricks presented the department report for September. This month, there were no forced outages due to operations issues. We did record a forced outage because the planned maintenance outage extended beyond the anticipated timeframe. Overall, we were under budget by 6,259Dth.

Commissioner Knowles inquired about the availability of outage history for past years to facilitate comparisons. Kevin noted that he did not have this information readily available but will bring this information back to the board. Commissioner

Miller asked whether there is any value in the sulfur removed from the gas during processing. Kevin confirmed that there is no value as the market is currently oversaturated with waste sulfur. Commissioner Knowles then asked if the sulfur is disposed of in the landfill, and Kevin confirmed that it is. He noted that this practice will not contribute to future issues with sulfur in the landfill gas stream as elemental sulfur is stable.

Power and Finance Report - Mike DeMott reviewed the 2024 / 25 bond sale results. The bond refinancing resulted in a net savings of \$2.8 million. We did decide to retain Assured Guarantee to provide both a surety and bond insurance which allowed us to avoid restricted fund requirements and resulted in a lower total interest cost. Funds will start flowing next week. The bond results improved the net present value of total debt costs by \$1.3 million compared to initial estimates. Cynthia Bruce expressed her gratitude for the opportunity to attend the bond sale.

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

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

COMMISSIONER DOUGLAS MILLER - Commissioner Miller – WPUDA has been more active recently and is better informed about upcoming legislation. He spoke with the Washington State risk assessment auditor today, who asked if he suspected any fraud. He responded that he did not, and he provided information about how we track expenses and the role of our auditor.

ASSISTANT GENERAL MANAGER - Last Thursday, we held the KVH Wellness Fair, which saw strong employee participation. The Annual Meeting scheduled for this Monday will begin at 8:30AM instead of the 9AM noted on the agenda, in order to accommodate the extensive agenda. Additionally, hearing tests are set for that same morning at 7AM.

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:

- Jim said he is concerned that it appears that BPA is utilizing a Resource Planning model that is an underdeveloped model and that it that does not include natural gas. This model is expected to inform the initial resource acquisition strategy for 2028. Jim said he has been engaging BPA and PPC to have BPA roll this model out for a peer review by utilities. Jim and PPC have also been actively advocating for this process to be accelerated.
- We have yet to roll anything back from alternate fire condition settings, but will inform the board of the plan to do so during the Operations report at the next meeting.
- Jim said that there was a presentation at PPC that posed questions regarding the downstream benefits defined by the Columbia River Treaty. The presentation suggested the down-stream benefits amount to only 41 average megawatts, which seems low. The Mid-C utilities are pushing this issue, but no analysis has been conducted beyond their input. PPC will continue discussions with BPA.

AGENDA ITEMS:

- A. **COST OF SERVICE ANALYSIS (COSA) REVIEW:** Russ Schneider of EES was present and reviewed the 2024 cost-of-service analysis. Russ stated that the COSA model is new and much easier to modify for individual utilities than past models. The data was provided by the District and EES and District staff then modified this information as necessary in the model. This year we included actual interval data from the AMI system, noting that not all meters were installed for a full year.

