

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, November 26, 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, Shelby Manka - Accounting Clerk, Brandon Walter - Water-Wastewater Superintendent, Anita Clever - Energy Services Specialist, Brandy Myers - Customer and Accounting Services Manager, Cynthia Bruce - Accounting Supervisor, Mike DeMott - Director of Finance and Power Management, Mike Nixon - Operations Manager, Brandon Johnson - Engineering Manager, Justin Beierle - Engineering Superintendent, and Luann Mata - Executive Assistant/Clerk of the Board.

Via teleconference: Sarah Honkala - Accountant, Kevin Ricks - Renewable Energy Assets Manager, Ocean Barrett - W/WW Support Assistant, Seth Jones - Buyer, Patrick Carroll - IT Consultant, and Courtney Collins - Engineering Support Assistant.

GUESTS: Tracy McCune, Ron Schultz, and Jim Moss

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

MINUTES: **MOTION** was made by Commissioner Gunkel to approve the November 12, 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 26th day of November, 2024.

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

- Accounts Payable Voucher Nos. 221042 through 221208 in the total amount of \$ 1,105,131.85; Electronic Funds Transfer (EFT) transaction Nos. 678 through 682 and Wire and Automated Clearing House (ACH) 8802078 through 8802089 in the total amount of \$12,220,219.26 for the period ending November 26, 2024; and
- ACH Direct Deposit Payroll transactions 215246 through 215330 in the total amount of \$262,403.02 for the payroll period ending November 17, 2024.

Motion carried.

PUBLIC COMMENTS: Tracy McCune addressed the board with her concerns regarding Landis+Gyr metering equipment. She provided the board with information and a link to a video on YouTube. Commissioner Knowles and staff confirmed that our meters do not have cellular capability, which was one concern discussed, and that we have discussed medical concerns in previous meetings. Commissioner Gunkel added that if the meter is physically tampered with by a third party, it would report to us. Commissioner Knowles asked staff to review the information provided and report back to the board, then he would provide a response to Ms. McCune directly.

REPORTS:

Water-Wastewater Report - Brandon Walter presented the department report for October. A sinkhole was discovered and repaired in Lyle with the assistance of Klickitat County Public Works. The estimated water loss was 1,166,400 gallons. The county will repave this location. Aspect consulting has proposed that a deviation survey be performed on the lower well in Lyle. The new hires have all earned their CDL's.

Energy Services Update - Anita Clever reviewed the conservation projects statistics for the 2024 period. The program began 2024 with a budget of \$1,017,119 for the Biennium. To date over \$800,000 has been allocated to projects so 17% of the budget remain for the biennium. Low Income residences have benefited with over \$277,000 in improvements.

The Net Metering program received 40 new applications totaling 480kw. The program has 400 customers with a total rating of 2,604 kW. The Lyle Fire department has been awarded a grant to install emergency power backup for their fire department. There were \$42,000 paid out in tax credits to 27 participants. The annual net metering true-up resulted in 60 residential customers leaving \$12,481 in over generation. This value will be utilized to support low-income programs.

Commissioner Knowles congratulated Anita on a great job managing these programs.

Operations Update - Mike Nixon presented the department report for October. Customer work is still light and the larger development projects being done by the White Salmon crew, Under Canvas and the Bingen Development are almost wrapped up. The crews have been focused on maintenance work. Vegetation management numbers for this month will be presented next report as we are upgrading systems to make reporting easier. Dale Stelter and Keifer Kastl focused on mulching and fell over 200 hazard trees last month. Commissioner Knowles mentioned that the Snowden three-phase looks good.

Engineering Update - Brandon Johnson and Justin Beierle presented the department report for October. Projects are winding down. Wishram Substation is energized and Commissioner Miller added that the Wishram Substation site looks really nice. Palouse Power has left the property they will return in late February or early March, when the transformer is delivered, to complete the work at EE Clouse. This transformer is going through the testing process with our engineers on site to verify these tests. Commissioner Miller asked staff to be aware of potential tariff concerns on upcoming equipment orders coming from Canada and Mexico. The Trout Lake Substation engineering is 60 % complete. The pole test and treat reports are back and engineers are completing sheets for the necessary repair and replacement.

Justin added that the Dot Road transmission and Bristol Road projects are completed and DJ's Electric is off the property. They expressed their appreciation to Justin that all of our staff were welcoming and willing to help.

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 attended the November WPUA Association meetings.

ASSISTANT GENERAL MANAGER - Gwyn Miller reported that we have received a letter from the union to initiate the bargaining process for the IBEW contract to take effect April 2025. Meetings are scheduled for the 2nd and 3rd weeks in January. She also reported that Patrick Carroll has been working with staff to develop a new website design and it should be launched Mid-January.

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

Satus Line - Jim Smith reported that we have a verbal agreement with Yakama Power on the transfer of the Satus line. He will bring this back to the board for approval if a written agreement can be reached.

AGENDA ITEMS:

- A. CLEAN ENERGY IMPLEMENTATION PLAN (CEIP) ADOPTION - Anita completed a review of the 2026 CETA program and the CEIP. **MOTION** was made by Commissioner Miller to approve the continuation of support of the 2022-2025 Clean Energy Implementation Plan as presented this day, November 26, 2024 with no changes from the publicly adopted version on December 14, 2021. Motion carried.
- B. PREQUALIFICATION OF PROFESSIONAL SERVICES - **MOTION** was made by Commissioner Gunkel to approve the addition of the firm presented and agree to add them to the Professional Services roster for the 2024 and 2025 periods. Motion carried.
- C. 2025 KLICKITAT PUD OPERATIONAL BUDGET DRAFT 3rd REVIEW - Staff reviewed changes to the previous drafts presented to the board. There were no material changes. Jim reviewed key areas of the budget and summarized the trends he sees in the coming years. Our revenue requirement is still projected at 4.5%.

No action was taken.

- D. 2025 KLICKITAT PUD RATE PROJECTIONS 3rd REVIEW - Staff reviewed the recommended rate proposal. After discussions with the board last meeting and after further consideration, staff recommended that a demand component not be added to Residential and Small General Service rate classes at this time. Rate design for these two rate classes will be reviewed in 2025 and alternatives will be brought to the board for discussion. The recommended rate adjustment to the Residential rate class remained at 3.55% and it was recommended that this be applied equally to the base fee and the kWh charge. There is still no increase recommended for Small General Service and the recommendations for the other rate classes has not changed. With the installation of AMI meters some of the non-metered locations have metering capability and will be moved to the appropriate rate classes.

Commissioner Knowles commented that we will have BPA rate stability for 2026 through 2028, but we should be prepared to brace for the future. Use the next two years to trim budget to prepare for what's coming.

Staff will provide a full budget packet to the board for the December 10th public hearings.

No action was taken.

- E. RESOLUTION 1861- RECOGNITION OF RANDY L. KNOWLES 30-YEARS OF DEDICATED SERVICE - **MOTION** was made by Commissioner Gunkel to adopt Resolution 1861 as presented. Motion carried.
- F. EXECUTIVE SESSION: REVIEW THE PERFORMANCE OF A PUBLIC EMPLOYEE PER RCW 42.30.110 (1)(g) - Executive session was canceled for this meeting by President Knowles.

Adjourned - There being no further business, the meeting adjourned at 3:30 p.m.

Absent
Randy L. Knowles, President

