

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, March 22, 2022
2:00pm

CALL TO ORDER: President Douglas B. Miller called the meeting to order at 2:00 p.m. as advertised.

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

STAFF PRESENT: Jim Smith - General Manager, Gwyn Miller - Assistant General Manager, Isabelle Carroll - AP/Accounting Clerk, Sharon Blodgett - Water/Wastewater Coordinator, Mike Nixon - Operations Manager, Jeff Thayer - Materials Manager, Brandon Johnson - Engineering Supervisor, Mark Garner - Engineering Supervisor, and Luann Mata - Executive Assistant

Via teleconference: Cynthia Bruce - Accountant, Kevin Ricks - Renewable Energy Assets Manager, Mike DeMott - Director of Finance and Power Management, Geoffrey Lacefield - Project Engineer, Brandon Walter - Water/Wastewater Superintendent, and Courtney Collins - Engineering Support

GUESTS: Johnathon Lewis - Klickitat Valley Health, Scott Lindsay - Brown & Kysar

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

MINUTES: **MOTION** was made by Commissioner Gunkel to approve the March 8, 2022 meeting minutes as presented. Motion carried.

CLAIMS & PAYROLL: Presented by Isabelle Carroll. 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 22nd day of March, 2022.

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

- Accounts Payable Voucher Nos. 212852 through 212855 and 212857 through 212990 in the total amount of \$1,386,070.56; Wire and Automated Clearing House (ACH) transaction Nos. 8801608 through 8801614, along with Electronic Funds Transfer (EFT) transaction Nos. 324 through 329 in the total amount of \$2,241,272.12 for the period ending March 22, 2022; and
- Payroll Warrant No. 212856 and ACH Direct Deposit Payroll transactions 208998 through 209087 in the total amount of \$232,612.09 for the payroll period ending March 13, 2022.

Motion carried.

PUBLIC COMMENTS: Johnathon Lewis of Klickitat Valley Health attended the meeting to discuss the KPUD's support of their ongoing back-up generation and micro-grid project. KVH and Goldendale School District are collaborating to obtain federal grant funds to investigate the feasibility of installing solar arrays and forming a micro-grid to maintain service to the school district and medical service locations during outages and emergencies. The FEMA Hazard Mitigation Grant applications are due within the next 30 days. If awarded the grant, they envision installing solar panels in the parking lots of the high school and hospital. KPUD's participation in this project would be to ensure power supply is available for these entities. Battery storage options and installation of a fuel cell were discussed. The board expressed support for the KVH and school board project. Public comment period closed and there was no action taken.

REPORTS:

Water/Wastewater Report - Sharon Blodgett presented the February updates. In conjunction with the corrosion control project in Glenwood, staff will also complete copper testing. The Lyle sewer system video project is complete. This video confirmed that there are areas where debris collects. It was determined that we will initiate annual cleaning of these areas rather than any major construction changes. Nathaniel Hill is in the process of completing a topographic map of the elevated section of the Lyle wastewater piping system. In Ponderosa, the pump project is still pending electrical work by Wilde Contracting. We have installed all of the water meters to service the Gorge Country View Estates development in Wishram. Lastly, we will hold the water-wastewater community meetings in April and May. Jim Smith provided current schedules to the commissioners.

Sharon also passed along her congratulations to Michael Krause who has recently passed his wastewater certifications. The board members asked Sharon to pass on their congratulations as well. All of the water-wastewater staff are now fully certified.

Operations Report - Mike Nixon presented the report for February. The outage hours to date are 21,416 hours with the January storm data included; however, should the storm data be removed the outage hours would be 1,174. Commissioner Miller stated that we are waiting to hear from FEMA (Federal Emergency Management Assistance) to see if they recognize our January storm as a major event. We have provided the storm damage information as required by the state and the information will now move from the state to federal level.

The crews are working on a mix of customer work and maintenance. Goldendale has two customers ready for service and White Salmon has one. As of today, 33 customers are pending. They have yet to complete the requirements to move their projects to scheduling with the crew.

Mike discussed the vegetation management plan and provided a visual of our map tracking for 2022. We have three Kemp West crews on the property. One additional crew is coming. These crews are working in harder to access areas in Glenwood and Klickitat now, but will transition to areas close to roads or in town, when the fire condition is elevated. Jim Smith added that over the course of this year an overlay of the AiDash information will be added to this map. Our contract with AiDash requires them to fly our system twice a year. Over time, this should help to determine our trimming cycles. Commissioner Gunkel asked what methods of verification are currently in place to ensure that the contractor is clearing to our required specifications. Mike stated that currently our superintendents complete this review. He is also evaluating laser tool options to assist with this process. Commissioner Knowles asked what physical sign-off process is used to demonstrate they have evaluated the clearings and that they meet the specifications as determined by KPUD. Currently, there is no sign off required, but we could implement. Lastly, Phillip McMillen will be adding mulching and spraying completion to the mapping program.

Jeff Thayer reviewed the White Salmon office remodel project. There have been a few unanticipated changes required to meet current construction standards and these few change orders will be presented before this project is completed. Our reopening date will now be April 18. Drywall and cabinets will be completed next week; flooring on the 11th. Jeff is confident that we have made the required construction upgrades and appearance updates that will last well into the future.

Engineering Report - Brandon Johnson and Mark Garner presented the report for February.

Brandon began with discussing the first round of idle service notifications. Certified letters were mailed to twenty inactive account holders with services that have not

been utilized or paid basic fees for over 10 years. We have had three individuals respond to date that wish to reactivate their services. So far, there have been no conflicts. The 15-day response timeline begins once we receive the signed certified notification card. He will continue to provide updates.

We experienced another issue with the Darland substation. Brandon consulted with Electrical Consultants, Inc. to evaluate the fault current data and coordination, which may require protection-setting adjustments and we will continue to audit equipment settings at other locations as well when we begin to notice issues. Our Automated Metering Infrastructure (AMI) in this area was very helpful. Information from the system allowed us to immediately identify timelines and line sections affected.

The schedule for the MA Collins substation commissioning is the end of April. Lead times and deliveries could affect this schedule. We expect transformer delivery this week and are working through the change order process for moving and transporting the portable transformer to Goldendale as we deemed it more cost effective to use the contractor on site rather than hire someone else to do this transport. Both the spill containment drainage design modification and the modular control house weight calculation estimates required foundation modifications. The ground grid issue has been resolved. Lastly, there is an outage scheduled for March 24 to complete the buss connections. Commissioner Miller asked if there is a plan to remove blown sand from the containment area. Staff expects to use the Vactron to keep this area clear.

Brandon met with Jeff King, Day Wireless, and Radio Solutions on radio system reliability. ADCOM and Day Wireless complete servicing for the county's radio system. We are evaluating short term and long-term solutions to the service interruptions we experienced during the January storms. This will likely include further partnering on the county's system. The immediate solution is D/C battery back up at the Diamond Gap and Juniper repeater sites.

Mark Garner stated that in addition to the crew work discussed under the operations report, there are a couple of larger subdivisions currently moving forward. There is a planned night outage scheduled for March 24 on the MA Collins transmission in Alderdale. The crew will work on transmission and a few distribution items off McKinley Springs Rd. Tree trimmers will move to Echo Glen once the ground begins to dry out and there is another night outage planned for the Lyle switch on Friday, March 25. Bonneville Power Administration will be working on their equipment during this outage. Mark also discussed the reserved transformer situation. James Dean Construction will begin the county's Courtney Road rebuild on April 10. We will need to complete the reroute of the underground backbone line before the road construction begins.

The crews now have access to the Futura FieldPro application. This application allows staff to update inspection information out in the field if they have cell service; otherwise, it downloads to our system once it regains cell service. This type of inspection process will be vital to the success of the vegetation management program for compliance. Todd Niva has been completing some field tests to demonstrate its practical uses.

Mark completed his report stating that the Materials Supply Chain committee is meeting weekly to stay apprised of the available inventory.

COMMISSIONER DOUGLAS MILLER - Commissioner Miller met with Mr. Maurer this week regarding Rimrock water chlorine testing. He attended the Public Power Council FUEL meeting; it did not yield the information exchange he was hoping for so he does not plan to attend future meetings. Lastly, he does not plan to attend the next Washington Public Utility Association meeting in April.

COMMISSIONER RANDY KNOWLES - Commissioner Knowles reported that Dick Rodruck's wife passed away so they have cancelled the April Public Utility Risk Management meeting.

COMMISSIONER DAN GUNKEL - Commissioner Gunkel did not have a report

ASSISTANT GENERAL MANAGER -

- FEMA - Gwyn Miller reported that staff does a great job staying on top of the submissions and requests. The emergency declaration process is still moving forward.
- Safety meetings - We are planning on moving back to the single larger safety meetings as the COVID restrictions are easing.
- Safety banquet – the date has been set for May 14 for the safety banquet. We have rented the golf course rather than a payment in kind for services. We are excited to see the turn out.
- Home and Garden Show May 6-8 - Multiple staff will represent KPUD in lieu of Anita Clever this year. Anita’s daughter is graduating from college on this weekend so other staff are volunteering to set up and staff the booth. Brandy Myers will send out a schedule to everyone to ask for him or her to pick a timeframe. Commissioner Miller may consider taking a shift; Luann Mata will share the schedule when it is complete.
- Follow up to Public Comment Period - Last commission meeting Jeff Speelman brought forth his concerns regarding work order costs. Mr. Speelman presented two specific customer work orders and his interpretation of costs as it related to his crew’s time and travel. The commissioners and managers listened to the concerns, as presented. There has since been additional discussions and follow-up with Mr. Speelman. The questions raised in this discussion brought to light the need to educate all staff as to the full work order process and all costs that are allocated to such customer work. We will provide additional information to the board upon completion and system closure of these specific work orders, but there are many factors that were not included in the paperwork Mr. Speelman presented. Staff is committed to educate our employees to ensure that they know and understand the process. Commissioner Knowles reminded everyone that our fundamental policy on new growth is that new growth pays for its costs and is not subsidized by rate revenue. He was disappointed that this explanation of the board’s perspective was not conveyed to Mr. Speelman at the meeting. It was also suggested that new construction costs be a topic at the annual meeting. Commissioner Gunkel asked that staff review and evaluate costs annually. He also stated, “upward pressure is everywhere and being a cost-based electrical provider, we should be lower than the investor owned utilities.” Our Cost of Service Assessment (COSA) will provide valuable insight to our costs as compared to similar providers. Lastly, Commissioner Miller stated that he was very pleased that everyone allowed Mr. Speelman to express his concerns without minimizing his perspective, but agreed that we need to develop the educational opportunity for greater understanding.

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:

- Supply Chain - Jim reviewed the supply chain issues discussed at the last several meetings and Jeff Thayer provided an update on where our supplies currently stand.
- Exercise the White Creek purchase agreement - There has been discussion on the fair market value options progressing. Jim will continue to provide updates as we progress through the process.
- Pump storage water supply contracts - FFP is still working on the water supply agreement to meet Federal Energy Regulatory Commission (FERC)

requirements. We are only negotiating water supply with FFP not water rights.

- Schedule - Jim is planning to be out on PTO next week for spring break.
- Department of Natural Resources Lyle Hill Fire Investigation report - We received the final report from the Department of Natural Resources (DNR). Failed underground cable was the cause as determined by DNR. The chief investigator for DNR came to our office and evaluated the equipment removed from this location. He determined that this type of electrical conductor failure is nearly impossible to detect until the failure occurs.

AGENDA ITEMS:

- A. FIRE MITIGATION PLAN UPDATE - Scott Lindsay, CEO of BKI and Mark Garner presented our draft fire mitigation plan. BKI provided KPUD with a draft plan. We have also invested in tools that provide daily weather situational updates for each region within our district. Commissioner Knowles asked if Mr. Lindsay would be interested in providing his presentation at the next PURMS meeting in June. Mr. Lindsay recognized the insurability issues that are present from these more recent wildfire situations and was open to presenting his product and our program to PURMS. Commissioner Gunkel asked if the legislative response in California took into consideration the financial impact to utilities. These catastrophic wildfire costs could ruin utilities and if they are a public utility, the state could end up stepping in and could ultimately end up being financially responsible, as well as be required to take over operation with no personnel experienced to do so. He also suggested that we continue to stay engaged on liability legislation to keep them moving in a reasonable direction. Discussion ended, no action taken at this time.
- B. PROFESSIONAL SERVICES PREQUALIFICATION - **MOTION** was made by Commissioner Gunkel to approve the addition of all of the firms listed and agreed to add them to the Professional Services Consultants Roster for the 2022 period. Motion carried.

Adjourned - There being no further business, the meeting adjourned at 4:37 p.m.

/S/
Douglas B. Miller, President

/S/
Randy L. Knowles, Vice President

/S/
Dan G. Gunkel, Secretary
Date Approved: April 12, 2022

/s/
Luann Mata, Executive Assistant