

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, May 14, 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 DeMott - Director of Finance and Power Management, Shelby Manka - Accounting Clerk, Brandon Walter - Water/Wastewater Superintendent, Sharon Blodgett - Water/Wastewater Coordinator, Anita Clever - Energy Services Specialist, Sarah Honkala - Accountant, Brandy Myers - Customer and Accounting Services Manager, and Luann Mata - Executive Assistant

VIA-TELECONFERENCE: April Greenlaw - Operations Administrative Assistant, Cynthia Bruce - Accounting Supervisor, Ocean Barrett - W/WW Support Assistant, Patrick Carroll - Contractor, Seth Jones - Buyer and Courtney Collins - Engineering Support Assistant.

GUESTS: None

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

MINUTES: MOTION was made by Commissioner Gunkel to approve the April 23, 2024 meeting minutes as submitted. 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 14th day of May, 2024.

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

- Accounts Payable Voucher Nos. 219278 through 219469 in the total amount of \$1,373,415.86; Electronic Funds Transfer (EFT) transaction Nos. 597 through 603 and Wire and Automated Clearing House (ACH) Nos. 8801957 through 8801966 in the total amount of \$932,059.58 for the period ending May 14, 2024; and
- Payroll ACH Direct Deposit Payroll transactions 213948 through 214035 in the total amount of \$254,022.58 for the payroll period ending April 21, 2024 and Payroll ACH Direct Deposit Payroll transactions 214036 through 214120 in the total amount of \$269,637.78 for the payroll period ending May 5, 2024. Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Water/Wastewater Ponderosa funding Update - Sharon Blodgett and Brandon Walter reviewed the Drinking Water State Revolving Fund (SRF) approval for the Ponderosa Park Water System Red Cedar Pipeline Replacement Project. The project was awarded nearly \$600,000 in a grant / loan funding package from the SRF. This is in addition to the 300,000 in grants awarded from the Landfill Gas Infrastructure Fund. The \$900,000 project should only require financing of approximately \$320,000.

Power and Finance Update - Mike DeMott reviewed current power pricing noting that the forward prices are trending down from when we set budget and this will affect White Creek wind revenue. Forward price curve model and Aurora model pricing assumptions suggest that the next rate period (BP-28) Tier 2 prices might be around \$70 / MWh. A \$5 movement in pricing from BP-26 to BP-28 would result in an estimated impact of \$1.8 million on Tier 2 purchases over the 3-year term of BP-28. Mike attended an NWPPA rate design training. He gained knowledge of rate design scenarios and will continue to pull monthly AMI data to test future rate options. Northwest Requirements Utilities (NRU) is providing input on demand charge rates as presented by BPA. We will continue to look at different methods as we develop our electric rates.

Quarter 1 Financial Report - Sarah Honkala presented the report. First quarter retail rate revenue was above budget due to the cold weather experienced in January. Our carbon allowance sales were \$75,000 above budget. Renewable Natural Gas sales were strong this quarter and ended the first quarter \$600,000 above budget. Interest income was also above budget by \$240,000 first quarter. Purchased power expense was over budget to purchase additional power supply to meet higher loads. Net operating margin was \$1.5 million above budget.

COMMISSIONER RANDY KNOWLES - Commissioner Knowles noted that Stoner Bell is the only candidate running in the election for the District 1 PUD Commissioner position. He voiced his opinion that Mr. Bell will be a good addition to our board.

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

COMMISSIONER DOUGLAS MILLER - Commissioner Miller discussed the State CETA audit report, recent articles about broadband, FERC transmission rules and the affordable housing act.

ASSISTANT GENERAL MANAGER - Gwyn Miller discussed that staff from various departments will be attending a job fair at the Goldendale High School. The summer intern program interviews will take place soon and she thanked the board for their support of this program.

The PUD safety banquet is June 1. The next Public Utility Risk Management System (PURMS) meeting is June 5 and 6. A brief discussion of the rise in our insurance costs followed.

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 reviewed the proposed water and wastewater rates for the 2024 Water and Wastewater rate hearing scheduled on May 28, 2024 at 3:00 p.m.

Kevin Ricks and Jim met with Northern Wasco representatives and the Army Corp of Engineers (USACE) representatives at McNary to evaluate safety concerns previously presented to the USACE. This visit and discussion yielded an alternate interior stair option that we did not know about until now.

Energy Northwest is installing charging stations in Klickitat County and reached out to inquire if we would like our logo displayed on these units. Jim confirmed with the board our position that because this is not our project, we will respectfully decline having our logo displayed.

RNG experienced an unscheduled outage last week due to an outage at the BPA Rock Creek substation that tripped our transmission line to our White Creek substation. RNG experienced a hard shutdown, which damaged a bearing in a compressor and

blew out an oil pump seal. Staff replaced the damaged equipment, however, this outage caused four days of lost revenue.

AGENDA ITEMS:

- A. RESOLUTION 1852 DEDICATION OF NET METERING BANK UNITS TO LOW-INCOME ASSISTANCE - **MOTION** was made by Commissioner Miller to adopt Resolution 1852 as amended, authorizing staff to dedicate Net Metering Bank Units to Low-Income assistance programs. Motion carried.
- B. PREQUALIFICATION OF PROFESSIONAL SERVICES – **MOTION** was made by Commissioner Gunkel to approve the addition of Light House Energy and agree to add them to the Professional Services Roster for the 2024 period. Motion carried.
- C. CALL FOR BID- GLENWOOD LIFT STATION PUMP EQUIPMENT - **MOTION** was made by Commissioner Gunkel to authorize staff to advertise the Call for Bid-Glenwood Lift Station Pumps with bids being opened on June 27, 2024 at 2:00 p.m. Motion carried.
- D. EXECUTIVE SESSION PER RCW 42.30.110 (1)(g) TO REVIEW THE PERFORMANCE OF A PUBLIC EMPLOYEE - President Knowles called for an Executive Session at 3:30 p.m. per RCW 42.30.110 (1)(g) noting that the session would last 30 minutes until 4:00p.m., for the purpose of reviewing the performance of a public employee. The session ended at 4:00p.m. No action was taken.

RCW 42.30.110 – Executive Session.

(1) Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting:

Adjourned - There being no further business, the meeting adjourned at 4:01 p.m.

/S/
Randy L. Knowles, President

/S/
Dan G. Gunkel, Vice President

/S/
Douglas B. Miller, Secretary
Date Approved: May 28, 2024

/s/
Luann Mata, Executive Assistant