

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, April 8, 2025
2:00p.m.

CALL TO ORDER: President Dan G. Gunkel called the meeting to order at 2:00p.m. as advertised.

PRESENT: Dan G. Gunkel - President, Douglas B. Miller - Vice President, and Stoner W. Bell - Secretary

STAFF PRESENT: Gwyn Miller - General Manager, Shelby Manka - Accounting Clerk, Mike DeMott - Director of Finance and Power Management, Brandy Myers - Accounting and Customer Services Manager, Anita Clever - Energy Services Specialist, Kevin Ricks - Renewable Energy Assets Manager, Doug Stratthdee - LFG Gas Field Tech, and Luann Mata - Executive Assistant/Clerk of the Board.

GUESTS: Jeff Thayer, Larry Hocter, and Todd Andrews, Klickitat County Commissioner.

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

MINUTES: **MOTION** was made by Commissioner Miller to approve the meeting minutes from March 25, 2025 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 April, 2025.

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

- Accounts Payable Voucher Nos. 222155 through 222262 in the total amount of \$407,689.81; Electronic Funds Transfer (EFT) transaction Nos. 729 through 732 and Wire and Automated Clearing House (ACH) 8802191 through 8802202 in the total amount of \$942,697.18 for the period ending April 8, 2025; and
- Payroll ACH Direct Deposit Payroll transactions 216184 through 216272 in the total amount of \$501,950.78 for the payroll period ending March 23, 2025 and Special Payroll ACH Direct Deposit transaction 216273 in the total amount of \$21,065.94 for special payroll period ending April 3, 2025.

Motion carried.

PUBLIC COMMENTS: NONE

REPORTS:

Renewable Energy Assets - Kevin Ricks reported that March plant production reached 149,558 dekatherms, with a reliability factor of 92.2%. Uncurtailed production continues to rise. However, on March 13, a failure in the plant control system resulted in an outage, causing a loss of 12,666 dekatherms. The cause of the failure remains undetermined. The scope of work for the control system project was discussed, and an executive session has been added to the agenda to review a proposed contract update with LoCI Controls.

Staff also held a call with the Department of Ecology to discuss the rule-making process for including CO₂ emissions from the project in the Carbon Credit Auction (CCA). Unfortunately, this discussion did not yield positive results, so staff will explore other options for accessing the CCA. Additionally, Kevin and Gwyn Miller

met with a staff member from Governor Ferguson's office, where there was notable interest in the Renewable Natural Gas (RNG) project. He anticipates scheduling a tour.

Kevin requested guidance from the Board regarding inquiries about CO₂ sales. The consensus was that if the developer is willing to offset development costs, we should proceed with a feasibility review. Last week, a forced outage was taken for maintenance on a compressor experiencing vibration issues. Additionally, a lightning strike near the facility tripped the transformer at the lower gas plant causing a brief outage. However, a recirculation project completed last spring allowed staff to keep the gas circulating while power was being restored. This significantly reduced the length of time we were not generating.

Republic is working with our staff on early emissions detection to ensure compliance with permits. Five compliance issues were identified; three were resolved the same day, and the remaining two will be fixed by April 9. This process will now be monitored quarterly. Additionally, an update on Energy Northwest's Small Modular Nuclear Reactor project was provided.

Commissioner Miller inquired whether the above-normal rainfall this year impacts gas production. Kevin confirmed that while rainfall has been above average in the last couple of months, gas production has consistently increased over the past five years, despite an overall trend of lower rainfall. It was also noted that excessive moisture negatively impacts the gas field.

Power and Finance - Mike DeMott reviewed the BPA Post-2028 contract notification requirement, including the timeline for submitting a request for a BPA contract and the BPA product choice election. The product election needs to be submitted to BPA by June 18, 2025. Additionally, the report covered the history of the slice/block product and our experience with the load-following product. After assessing both options, the Board agreed to continue with the load-following product for the next contract period, starting October 1, 2028 and concluding September 30, 2044.

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

COMMISSIONER DOUGLAS MILLER - Commissioner Miller suggested Gwyn Miller attend the Washington Public Utility District Association annual meeting. He plans to attend the community meetings scheduled for April and May. Commissioner Gunkel plans to attend the Bickleton community meeting. Lastly, his F-1 reporting is complete.

COMMISSIONER STONER BELL - Commissioner Bell met with a customer in White Salmon who had several questions. Commissioner Bell will follow up with staff on the inquiries and report back to the customer. The customer will also be referred to Energy Services to conduct an energy audit.

GENERAL MANAGER GWYN MILLER - Gwyn Miller reported that we will schedule the 2025 Strategic Planning Session for May 30. Perkins Coie has been engaged to review communication process for the Satus line surplus. Ron Schultz, with assistance from our IT contractor Patrick Carroll, reviewed the work order process and completed a cost audit. Some inconsistencies were identified and will be reviewed with the Board for potential adjustments going forward. The Clean Energy Transformation Act (CETA) continues to be an active project this year, with another milestone to present an updated plan for public comment in December. The Board inquired if there will be a CETA-related cost component added to the 2026 budget for review. A committee will be meeting twice a month, bringing items back for Board consideration as the process moves forward. A dedicated line item will be included in the 2026 budget. The Home and Garden Show is the first weekend in May, and staff will be hosting a KPUD booth. Lastly, a PC Tech position in IT is posted and should

be filled mid-year. The job descriptions for the Human Resources and Engineering positions are being updated.

AGENDA ITEMS:

- A. **BPA PRODUCT CHOICE POST 2028: MOTION** was made by Commissioner Miller to authorize the General Manager to sign the letter to request BPA Post-2028 Power Sales Contract for Load Following Product as recommended by staff. Motion carried.
- B. **POLICY 48-OPERATION WARM HEART**: Brandy Myers reviewed policy updates and expanded on creation of Procedure 73 which provides process detail. **MOTION** was made by Commissioner Miller to approve the revisions to Policy 48- Operation Warm Heart as presented. Motion carried.
- C. **GOLDENDALE EMERGENCY MICROGRID NET METERING AGREEMENTS AND ADDENDUMS**: **MOTION** was made by Commissioner Miller to approve the Net Metering Interconnection Agreement and Addendum for the Goldendale Microgrid solar projects for the Klickitat Valley Health (KVH) Agreement No. 2025-0010 and Goldendale School District (GSD) Agreement No. 2025-0009 campuses as presented. Motion carried.
- D. **RESOLUTION No. 1879 RESCINDING OF CREDIT CARD AUTHORITY**: **MOTION** was made by Commissioner Miller to rescind Resolution 1826 and adopt Resolution 1879 rescinding credit card authority of Brandon Johnson. Motion carried.
- E. **EXECUTIVE SESSION-3:00p.m. Discussion of Legal Risk of Proposed Action per RCW 42.30.110(1)(i)**: President Gunkel called for an Executive Session at 3:00 p.m. per RCW 42.30.110(1)(i) to discuss litigation or legal risk of proposed action or current practice that agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency noting the session would last for 30 minutes, until 3:30p.m. In addition to the Board, Kevin Ricks, Mike DeMott, Doug Strathdee and Gwyn Miller were present. Athan Tramountanas, KPUD General Counsel attended via teleconference. The session ended at 3:30p.m. No action was taken and the meeting reconvened in open public session.

MOTION was made by Commissioner Bell to authorize the General Manager to execute the LoCI Systems contract as reviewed. Motion carried.

For clarification, this motion authorizes the capital purchase of the LoCI system, which is currently used as a service from LoCI Controls. This purchase will save the District an estimated \$13,884,145 over a six-year term compared to the alternative of removing the system. Furthermore, it represents an additional savings of \$3,319,097 over the next best option of continuing to use the system as a service.

As a result, there will be a budget modification of \$1,108,831, annualized, in the first year, which includes the addition of two full-time employees to maintain the system.

Adjourned – There being no further business, the meeting adjourned at 4:07p.m.

/S/
Dan G. Gunkel, President

/S/
Douglas B. Miller, Vice President

/S/
Stoner W. Bell, Secretary
Date Approved: April 22, 2025

/s/
Luann Mata, Executive Assistant