

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, March 11, 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 - Chief Administrative Officer, Shelby Manka - Accounting Clerk, Mark Garner - Engineering Supervisor, Brandy Myers - Customer and Accounting Services Manager, Anita Clever - Energy Services Specialist, Kevin Ricks - Renewable Energy Assets Manager, Mike DeMott - Director of Finance and Power Management, and Luann Mata - Executive Assistant/Clerk of the Board.

GUESTS: Jonathan Lewis-Klickitat Valley Health, Dean Schlenker-Goldendale School District, Larry Hocter and Judy Woody.

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

MINUTES: **MOTION** was made by Commissioner Miller to approve the meeting minutes from February 25, as well as those from the continued meetings on February 28 and March 4, 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 11th day of March, 2025.

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

- Accounts Payable Voucher Nos. 221919 through 222049 in the total amount of \$771,118.85; Electronic Funds Transfer (EFT) transaction Nos. 717 through 722 and Wire and Automated Clearing House (ACH) 8802155 through 8802170 in the total amount of \$2,936,331.10 for the period ending March 11, 2025; and
- Payroll ACH Direct Deposit Payroll transactions 216014 through 216098 in the total amount of \$254,833.48 for the payroll period ending February 23, 2025.

Motion carried.

PUBLIC COMMENTS: None

REPORTS:

Customer Service Update - Brandy Myers reported that customer service has revamped the monthly billing statements. Key changes include adding a demand billing component to residential and small general bills to ensure customers see and begin to understand their full energy consumption. The back of the bill was updated to remove outdated instructions and to include a section for updating customer contact information.

The Operation Warm Heart (OWH) program, an emergency assistance program, was reviewed. This year-round, one-time benefit program helps customers facing hardships, does not have an income requirement, and often requires commitment from the customer. The Goldendale Ministerial Association is the 3rd party qualifier for our customers. Customer service coordinates applications and refers to the association for determination. Program funding is from customer donations. In 2024,

OWH assisted 41 customers. Brandy mentioned upcoming updates for Policy 48, including minor language revisions and a new procedure to align the program with the RCW. Annually, there is a campaign to increase OWH donations. Additionally, the working relationship with WAGAP, the funding programs they have available and the pledge process were discussed.

Our Low-Income Senior Discount program, established in 1979, successfully enrolled 355 accounts this year. Income thresholds were adjusted in 2024 to align with FPL of 200% and AMI of 80%, which increased the income thresholds to open the program up to more customers. Qualification and promotion are in partnership with Klickitat County Senior Services. The previous percentage adjustment model for income tiers has been revised to allow for base fee and flat fee assistance alongside a fixed discount for higher income seniors from December to May. We expect to extend \$60,000-65,000 in senior discounts this year.

The billing delinquency process was reviewed, with Brandy emphasizing the importance of maintaining notification dates and that the delinquent process begins with the billing date. Discussions were had regarding delivery trends and tracking options that show days out for delivery. Alternatives to standard mailing were discussed, as well as the potential for extended grace in due dates. Changes to the disconnect process were discussed in that Advanced Metering Infrastructure (AMI) has improved this process. The final bill process has improved with AMI and process revisions. The recovery efforts for inactive accounts were discussed from collection agency assignment to account-to-account transfers. Efforts to collect outstanding balances continue and align with Policy 7.

Erin Gray is organizing community engagement events this year, including the Home and Garden Show, Pioneer Picnic/Bickleton Rodeo, Klickitat County Fair, and the annual Huckleberry Festival. The communication committee was recognized and thanked for actively promoting customer engagement. Customer service composition was discussed with an emphasis on cross-training and enhanced customer communication. Customer trends are being evaluated at the White Salmon office as well as, SmartHub notification options.

A summary was provided on the completion of the annual rate class reviews and account reclassifications. Feedback from the public is minimal regarding rate increases, indicating general understanding.

Renewable Energy Assets update - Kevin Ricks reported a February capacity factor of 99.6%, despite two outages resulting in a loss of 14,880 dekatherms and a reliability factor of 89.4%. Year-to-date production is 27,429 dekatherms above budget. An error correction raised January reported production from 154,325 to 154,534 dekatherms.

A new operator with turbine experience will start in May.

The draft for the LoCI long-term contract is under review. Dave Warren is lobbying for environmental attributes of RNG and Andrew Quigley is pursuing rulemaking to sell carbon credits in Washington's Cap and Invest Carbon Auction.

The Spring outage shutdown is scheduled for April 21, with an update on the scope of work provided by Kevin. He noted a positive trend in capacity and production, thanks to improved wellfield discipline.

The Roosevelt and Bickleton Fire Departments will hold their March meeting at the site, and these groups will be invited to return annually to enhance coordination and to familiarize themselves with the location for better preparedness in case of fire emergencies.

Finance and Power Management update - Mike DeMott reviewed current Mid-C Forward prices are trending near budget for the year. As of March 4, 2025, High Load Hours are \$62.09, and Low Load Hours were \$49.85. February hedges of 3 MW yielded a positive outcome of roughly \$107,000. Reports indicate that we are expecting a slightly lower-than-normal water year, with short-term pricing driven by water supply at 82% of the average. According to BPA data, we reached a record February peak of 91.71 MW on February 12, surpassing our previous highest February peak of 88.15 MW in 2022. BPA had ample supply to cover the peak period in February while realizing a new post smelter era peak.

Mike will update his information to reflect hedge outcomes versus budget. The triggers for April and May hedges have been set, and TEA will execute a 3 MW sale if the thresholds are reached.

The draft for BPA Post-2028 allocation remains around 42 average MW for Tier 1, with roughly 10 MW for Tier 2 depending on load growth before the next contract. BP 26 and TC 26 rate increases are about to settle, with 8.3% for power supply and 15% for transmission. There is no material impact on us, as the comparisons were known at the time of the budget.

BPA will be able to bring back temporary and pending employees. It's been noted that BPA is ratepayer-funded and public power has stated there would be no tax dollar savings from implementing cuts to BPA. The BPA 2024 resource plan has been completed and future plans requires further work. White Creek Wind purchasers' group is working to gather stakeholders for discussions on the asset purchase option. We received an offer to buy us out, but there was no interest in the offer presented.

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

COMMISSIONER DOUGLAS MILLER - Commissioner Miller did not have a report.

COMMISSIONER STONER BELL - Commissioner Bell reported he will attend the Washington PUD Association commissioner training next week and the Community Youth Center ribbon cutting at Rheingarten Park.

CHIEF ADMINISTRATIVE OFFICER GWYN MILLER - Gwyn Miller reported:

- Trout Lake Solar: Anita Clever provided some background on the Trout Lake Community Solar Project inquiry. The community applied for the Washington State Solar Plus Grant, which they were awarded monies for phase 1 that covered a feasibility study. While they have shared the grant application with us, we have not yet seen the study. Since then, the grant program has changed and they are also considering the WSU Community Solar Grant Program. Our review will focus on evaluating whether the project aligns with our parameters. The community is considering locating the facilities at either the fire station or the school. Anita is assessing whether either option meets needs. Additionally, they plan to install a battery system and are still determining how to move forward. Although we are unclear of their specific request, we assume that they would like KPUD to administer the system, as there are limited options for administering a community solar system. The hypothetical administration logistics were discussed.
- Benefit Golf Classic in Hood River: We intend to register two or three teams to participate in the event this year.
- BPA Personnel: At this time, we know that due to the reduction in force there is a pause on project evaluations and impact studies are on hold. However, the larger concern is dispatch and lineman positions as that impacts their core business and trickles down to customers. They were down 320 employees at the time of this meeting. On Friday, it was announced they would be bringing back probationary positions.

- Satus Distribution Line: The resolution to surplus the line that was adopted in December was reviewed. Commissioners directed staff to begin evaluation of the notification process.
- WPUA Committee Assignment review: A review of current assignments was completed. It was determined we would approve the listing as it was presented and fill the vacant positions during a future review.
- BPA Chenoweth Transmission Line response: The BPA response was reviewed. Staff will continue to work closely with BPA and offer our input. BPA is leaning towards more owner engineered projects going forward.

AGENDA ITEMS:

- A. MICROGRID NET METERING APPLICATION REVIEW: Anita Clever, Mike DeMott, and Mark Garner reviewed the proposed renewable energy microgrid projects for Klickitat Valley Health (KVH) and the Goldendale School District (GSD). These projects are funded by a FAMA BRIC grant. Each facility will operate its own microgrid while remaining interconnected, with a disconnect installed for emergency separation of KPUD facilities.

Jonathan Lewis from KVH and Dean Schlenker from GSD discussed funding, primary metering, and other project details. While the project aligns with policy, its size requires board approval for net metering. Additional project specifications were also discussed. Jonathan provided a timeline that indicates groundbreaking will occur in March 2026. KVH plans to install 10 public EV charging stations, with anticipated operation and maintenance costs estimated at \$85,000 per year. This project does not qualify for CETA compliance as a community solar project, as it cannot be tracked in terms of benefits to low-income customers, but may meet other CETA requirements.

B. EXECUTIVE SESSIONS:

- a. Collective Bargaining - President Gunkel called for an Executive Session at 4:20p.m. per RCW 42.30.140(4)(a) to review the terms of the 2025 Bargaining Agreement noting the session would last for 20 minutes, until 4:40p.m. The session ended at 4:40p.m. No action was taken and the meeting reconvened in open public session.
- b. Review of Performance of a Public Employee (1)(g) - President Gunkel called for an Executive Session at 4:45p.m. per RCW 42.30.110 (1)(g) noting that the session would last for 10 minutes until 4:55p.m., for the purpose of discussing the General Manager's evaluation. The session ended at 4:55p.m. No action was taken and the meeting reconvened in open public session.

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:

- C. RATIFICATION OF THE 2025 COLLECTIVE BARGAINING AGREEMENT: **MOTION** was made by Commissioner Miller to authorize Gwyn Miller to ratify the 2025 Collective Bargaining Agreement as presented. Motion carried.
- D. POLICY 4-EE PAID TIME OFF: **MOTION** was made by Commissioner Miller to approve the updates to Policy 4-EE as presented. Motion carried.

E. POLICY 4-F HOLIDAY: **MOTION** was made by Commissioner Miller to approve the updates to Policy 4-F as presented. Motion carried.

F. RESOLUTION 1876 RESCINDING BUSINESS CREDIT CARD: **MOTION** was made by Commissioner Miller to adopt Resolution 1876 rescinding of the business credit card authority of Jim Smith as presented. Motion carried.

G. Upon completion of Executive Session per RCW 42.30.110 (1)(g) in open public session **MOTION** by Commissioner Miller to appoint Gwyndalyn Miller to the General Manager position effective immediately Motion carried

Adjourned – There being no further business, the meeting adjourned at 4:59p.m.

/S/
Dan G. Gunkel, President

/S/
Douglas B. Miller, Vice President

/S/
Stoner W. Bell, Secretary
Date Approved: March 25, 2025

/s/
Luann Mata, Executive Assistant