



MINUTES

UTILITY ADVISORY COMMITTEE REGULAR MEETING

Zoom ~ Meeting ID 953 0702 6963

July 14, 2020 ~ 3:00 p.m.

CALL TO ORDER:

Chair Sanders called the meeting to order at 3:05 p.m.

ATTENDANCE:

Chair James Sanders, Vice-Chair Graham Parker, Committee Members Dave Larkin, Dan Porter, Amy Anderson, and Don Gregoire were present. Committee Member Charles LoPresti was absent. Also present were Council Liaison Lemley, Staff Liaison and Energy Services Director Whitney, Public Works Director Rogalsky, Fire & Emergency Services Director Huntington, Business Services Manager Edgemon, Energy Specialist Senger, Power Analyst Manzo, and Administrative Assistant II Grimes.

APPROVAL OF THE AGENDA:

MEMBER PARKER MOVED AND MEMBER PORTER SECONDED THE MOTION TO APPROVE THE AGENDA AS PUBLISHED. THE MOTION CARRIED 6-0.

APPROVAL OF MINUTES:

MEMBER PORTER MOVED AND MEMBER PARKER SECONDED THE MOTION TO APPROVE THE MARCH 10, 2020 MEETING MINUTES AS PUBLISHED. THE MOTION CARRIED 6-0.

PUBLIC COMMENTS:

There were no public comments.

ITEMS OF BUSINESS:

1. Status – Each City Utility

Staff Report: Directors from Fire & Emergency Services, Public Works, and Energy Services presented.

Director Huntington updated the committee on progress of the department's draft strategic plan. Due to the COVID19 Pandemic, work on the plan has been slow and Mr. Huntington hopes to be back at the November meeting with a draft plan for the committee to view. Preliminary indications show there may not be a need for rates to increase in the Ambulance utility next year due to additional Ground Emergency Medical Transport funding.

Director Rogalsky gave an update to the committee on financials for the water utility. Due to significant savings on a couple Capital Improvement projects the utility is able to put off a bond issuance that was forecasted for this year. The water rights for irrigation in Horn Rapids has hit a stalemate with WA Department of Ecology. Legal counsel has suggested an alternative strategy to request that Ecology suspend work on finalizing the water right and allow the City to remain in permit status. This would allow the utility to continue to develop and use the water for our needs without having the analysis of an old operating situation constrain it. The Advanced Metering Infrastructure (AMI) project will begin implementation after an amendment to the contract that includes an upgrade in new technology that is now available. There is a slight cost savings to the water utility for upgrade.

For the wastewater utility there was a decline in sewer plant flows due to the COVID19 Pandemic. While it has returned back to normal now, there could be minor revenue impacts, but no impact to the rate schedule. The wastewater plant is in the process of engineering design for equipment replacements of the backup generator and substantial modification to the aeration process. The sewer collection system had experienced frequent plugs and backups for quite a few years that resulted in private property damage in the older section of Richland. This past year staff reworked the program and had a reduction of approximately 75% in plugging and backup issues.

For solid waste, the utility had more frequent use and visits at the landfill due to regional facilities closing public facing solid waste services in the beginning of the COVID19 response. Similarly, to the water utility, solid waste has had cost savings in their Capital projects which resulted in deferring any rate increase in 2021. Mr. Rogalsky will present possible rate adjustments for landfill services at the September meeting along with a review of the recycle program. In 2021 the solid waste utility will start servicing customers that were annexed in 2010. Overnight the utility will gain the number of customers that would be a normal two years' worth of development.

For the stormwater utility, construction will begin this fall on applying water quality retrofit infrastructure to outfall pipes to a few locations on Columbia Park Trail.

The UAC Members had several clarifying questions and stated their views on the topic. Discussion included: Whether the AMI technology upgrade would create any schedule changes, if the water pipe on Duportail Bridge is in use now, and if COVID19 revenue challenges have created any major problems for any of the utilities.

Director Whitney updated the committee on the electric utility's financials due to the COVID19 Pandemic. Overall, revenue is up along with reliability and capital projects are progressing. With more customers staying home, residential consumption increased and commercial consumption decreased with businesses being closed. While the consumption of each mostly offset each other, the residential rate is higher and therefore revenue has increased. Due to the Governor's proclamation, there have been no shut offs for non-pay. Preliminary indications in rate forecasting show a rate increase is not needed until January 2022.

2. Optimum Resource Mix by Energy Northwest – E3 Study

Staff Report: Director Whitney introduced Greg Cullen with Energy Northwest to present on this topic. Mr. Cullen provided an overview to the committee of a study Energy Northwest contracted with Energy Environmental & Economics (E3) to study the resource adequacy in the PNW region. The adequacy of generation resources is exacerbated by carbon legislation and the closure of baseload coal generation. While renewable energy generation will be continuing, the number of overbuilding required for these projects makes it less feasible as an optimized resource due to the legislation. The study indicated that small modular reactors (SMR) is the best resource optimization and should be a part of our industry future.

The UAC Members had several clarifying questions and stated their views on the topic. Discussion included: whether the study included transmission impacts of new infrastructure or large nuclear plants. Also discussed was the separate groups involved in clean energy legislation and how they view each carbon-free type of energy and next steps that can be taken to move forward on projects.

3. Richland Energy Services Integrated Resource Plan

Staff Report: Director Whitney had Sandi Edgemon, Business Services Manager, introduce Steve Andersen from EES Consulting who presented the draft Integrated Resource Plan (IRP) to the committee. Mr. Andersen walked the committee through how the IRP was developed using the 2019 Conservation Potential Assessment (CPA) and data to evaluate the demand and supply side resources on an equal basis. Near-term challenges include integrating an increasing amount of distributed generation and demand side resources into the system. Long-term challenges include transitioning initially to a 100% carbon-neutral electricity supply by 2030 and later to a 100% carbon-free electricity supply and achieving all cost-effective conservation. This IRP has three recommendations: (1) to not take any action to decrease Bonneville Power Administration (BPA) Tier 1 Power, (2) implement cost-effective energy efficiency and (3) make market purchases that comply with renewable energy purchase requirements.

The UAC Members had several clarifying questions and stated their views on the topic. Discussion included: whether the renewable resources of solar and wind power generation will be available to the utility to take advantage of and how to use cost-effective energy efficiency to decrease the available conservation need as time progresses.

MEMBER PARKER MOVED AND MEMBER PORTER SECONDED THE MOTION TO ENDORSE THE IRP AND RECOMMEND THAT CITY COUNCIL ADOPT THE 2020 INTEGRATED RESOURCE PLAN.

THE MOTION CARRIED 6-0.

4. RMC Title 14 – Addition of Small Cell and Revised Rate Schedule

Staff Report: Director Whitney informed the committee of changes to Richland Municipal Code (RMC) Title 23 and Title 28 in regards to the zoning and franchise provisions

respectively for small cell facilities. Due to these changes there is a need to revise Title 14 to add a rate for small cell services. Staff recommends adding small cell electrical service to existing Schedule 90 for Cable TV Amplifiers and aligning the energy rate to be the same as Schedule 20 – Small General Service.

MEMBER PORTER MOVED AND MEMBER ANDERSON SECONDED THE MOTION TO SUPPORT THE MODIFICATION OF RMC TITLE 14 WITH THE ADDITION OF SMALL CELL AND A REVISED RATE SCHEDULE.

THE MOTION CARRIED 6-0.

OTHER INFORMATION:

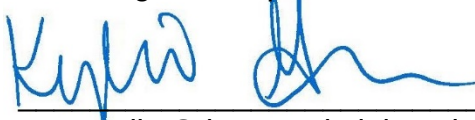
- 1. Bonneville Power Administration's Financial Reserve Policy Surcharge Suspension**
- 2. Energy Services Monthly Capital Work Plan**
- 3. Energy Services Reliability Analysis**
- 4. Energy Services Financial Status Update**
- 5. Forward Planning Agenda**

The UAC Members discussed: the two UAC positions that will be open after September 30, 2020 and encouragement to the current members to seek other residents around them to apply. Also discussed was the delay in construction of the Horn Rapids Solar Storage Training project due to COVID19. Commercial Operation is now set for the end of September 2020.

ADJOURNMENT

Chair Sanders adjourned the meeting at 5:10 p.m.

Respectfully submitted:



Kylie Grimes, Administrative Assistant II

Reviewed by:



Clinton R. Whitney, Energy Services Director

Date Approved: September 8, 2020

Date Published: September 9, 2020