

Public Utility District No. 1 of Klickitat County
Board of Commissioners' Meeting
Tuesday, June 25, 2019

AGENDA

Time: **KPUD Commission Meeting Start Time – 2:00 p.m. as Advertised**

Location: 1313 S. Columbus Ave. – Goldendale, WA

➤ **PLEDGE OF ALLEGIANCE**

AGENDA ITEMS –

A. EXECUTIVE SESSION: Per RCW42.30.110 (1)(i) - To Discuss Potential Litigation Mile Marker 28. Perkins Coie attending by phone.

➤ Approval of Minutes – 06/11/2019 Meeting

➤ Approval of Claims / Vouchers for period ending 06/25/2019 (*Cynthia*)

➤ Approval of Payroll for periods ending 06/09/2019 (*Cynthia*)

➤ **PUBLIC COMMENT PERIOD**

AGENDA ITEMS Cont. -

B. Moss Adams Audit Review Discussion-

C. Barclay's Bond Refinance Discussion- (*Mike/Sean Keatts*)

GUESTS:

○ Keith Simovic-Moss Adams

○ Sean Keatts-Barclays

REPORTS – 10 min. each:

- April Financial Report (*Beth/Nichole*)
- Water-Wastewater May Report (*Sharon*)
- Operations May Report (*Mark*)
- Engineering May Report (*Ron*)
- Renewable Energy Assets May Report (*Kevin*)
- Human Resources- Claims/ PURM's Meeting Update (*Gwyn*)
- Commissioners' Reports
- Manager's Bi-Monthly Report (*Jim Smith*)
-(see attached report)

AGENDA ITEMS Cont. - (*see Manager's Report for further details*)

D. Call for Bid- RNG Final Grading, Condensate and Compressed Air Systems Improvement Project 2019- (*Kevin*)

E. Prequalification of Contractors- (*Mark*)

F. Letter of Credit Waivers- Lewis and Cowlitz PUD- (*Mike*)

G. Professional Services Approval (*Kevin*)

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

RNG Legislative Tour- July 10



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD

For the **June 25, 2019 Meeting**

AGENDA ITEMS:

- A. EXECUTIVE SESSION: Per RCW42.30.110 (1)(i) - To discuss potential litigation regarding the Mile Marker 28 Fire. Legal representation from Perkins Coie will be present via phone.
- B. Moss Adams Financial Audit Review- Keith Simovic from Moss Adams will be here to review the complete audit results and conduct the exit conference with you.
- C. Barclays Bond Refinance Discussion- Sean Keatts will be here to talk about some of the bond refunding options we have. The presentation will continue the discussion Mike DeMott ran through with you last meeting. This will provide the opportunity to engage with Sean on details and issues that you may want to discuss. Loan refunding is still an option as well.
- D. Call for Bid – RNG Final Grading, Condensate and Compressed Air Systems Improvement Project- The final grading is clean-up work and the other are part of the reliability projects we have discussed.
- E. Prequalification of Contractors- Staff is requesting approval of Northwest Line Clearance, LLC of Wilsonville, Oregon. The approval is to add them to the available vendors for vegetation management. They have met all of our requirements to add them to the roster.
- F. Letter of Credit Waivers for Cowlitz and Lewis PUDs- Lewis and Cowlitz PUDs have presented their annual request to provide financial data that shows they meet financial requirements in lieu of providing a financial security instrument as provided for in their respective Transmission Service Agreements. They have met the requirements of the Agreements and I recommend granting the waivers.
- G. Professional Services Approval – Charis Engineering- we plan to utilize Charis Engineering for their independent perspective and extensive knowledge of the KPUD Nitrogen Removal System at RNG.

NON-AGENDA ITEMS:

- 1. **Scott Simms PPC Director** – PPC has concluded their search for a new Executive Director to replace Scott Corwin. They received of 130 applications for the position. My summary for you is that they did a very credible job in screening and interviewing the candidates and included PPC staffers in a very appropriate manner. The final interview pool was six candidates. I think that Scott Simms' background in communications and his time at BPA will serve PPC well interacting with BPA in an effective manner. I do not believe that he is a technical expert, but Scott Corwin was an attorney. The current PPC staff has plenty of technical horsepower for the task and I am looking forward to seeing if Scott Simms can build a more collaborative approach with BPA.
- 2. **RNG Project update** – the facility has been running full load since start-up after the Republic issues on June 9th and operations have been stable. Capital project evaluations are continuing as requested by the Board.

3. **Lower Snake River (LSR) Dams** – Several WPUDA members are passing resolutions regarding the importance of retaining the Snake River dams. This is an effort to ensure both perspectives are being made public and the messaging is not one-sided. The following was put together by TEA:

On average, the LSR dams have served 18% of BPA's load since 1/1/2018. The maximum was 44% and the minimum was 5%.

The peak load day of 2019 was 2/7/2019 @ 8,481 aMW / 10,223 MW peak. LSR dams served 10% of the load that day, and 15% of the peak (assuming they peaked at the same time, which is likely, but we only have daily granularity for LSR). The output from the LSRs that day were 1504 MWs peak generation.

2018 LSR generation averaged 1,040 MWs.

Attached is a resolution passed by Grays Harbor PUD that I thought was well done. I would like to discuss if we should do the same.

4. **WPUDA / DNR Fire Prevention Action Plan** - Nicolas Garcia has begun the redrafting of the action plan and I will provide that to you once completed by our group. Erik Walquist, General Counsel at Chelan PUD, and I are the PUD representatives on the DNR task force. I envision that the task force will create several work groups and I intend on having Mark Pritchard working with those groups on operational issues. Erik and the other attorneys plan on including work on liability language for the next legislative session. It is not clear if that effort will formally be a part of the DNR task force, or whether we will engage DNR outside that process.
5. **The TriCities Washington Economic Development Council (TRIDEC) Pumped Storage Conference** – I will be attending a half-day session on Monday the 24th in Prosser. I have heard that there are a couple of potential projects that are primarily irrigation related that are driving this in the TRIDEC's area. I think it important to know what other pumped storage projects are being considered in our region. I will update you at the meeting.
6. **The Energy Authority (TEA) West Coast Partners Meeting** – the annual meeting will be held July 30-31 at Skamania Lodge. Mike and Kevin are scheduled to present on our RNG project. This is an opportunity for us to showcase our project. TEA has been actively pursuing establishing an RNG marketing business line. If you wish to attend, please let Luann know. Meeting information is attached.
7. **Vacation** – I will be away July 27th & 28 and the following week in Washington DC for the Technology Student Association National conference.