

**REVISED**

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners' Meeting**  
Tuesday, March 13, 2018

**AGENDA**

**MEETING START TIME HAS CHANGED FROM 1:30PM TO 1:00PM; Regular meeting will still begin at 2:00PM**

Time: **KPUD Commission Meeting Start Time – 1:00pm ~~1:30pm~~ as Advertised**, Staff will enter into Executive Session under RCW 42.30.110 (1)(i) Potential Litigation MM28 Fire.  
**Regular Meeting Start Time – 2:00pm.**

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

➤ **Pledge of Allegiance**

- Approval of Minutes – 2/27/2018 Meeting
- Approval of Claims / Vouchers for period ending 3/13/2018 (*Cynthia*)
- Approval of Payroll for period ending 3/04/2018 (*Cynthia*)

➤ **PUBLIC COMMENT PERIOD**

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

A. 1:30pm EXECUTIVE SESSION: Per RCW 42.30.110(1)(i)- to discuss potential litigation of the MM28 fire.

○ **REPORTS – 10 min. each:**

- Generation Asset/Power Management –February Report (*Mike*)
- Commissioners' Reports
- Manager's Bi-Monthly Report (*Jim Smith*)  
-(*see attached report*)

**GUESTS:**

- Meredith Weinberg
- Jena MacLean

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

- B. PREQUALIFICATION OF CONTRACTORS [*Jeff*]
- C. NET METERING DISCUSSION: Review drafts of policy, rates and resolution provided. [*Mike/Anita*]
- D. BID REJECTION: Sixprong Substation 115kV Circuit Switcher [*Ron*]
- E. BID AWARD: Sixprong Substation 15kV Circuit Breaker [*Ron*]
- F. BID AWARD: Sixprong Substation 115kV and 15kV Disconnects [*Ron*]
- G. BID AWARD: Sonova Switching Station 115kV Circuit Breakers [*Ron*]
- H. CALL FOR BID: Sixprong Substation 115kV Circuit Switcher [*Ron*]
- I. ADJOURNMENT

**FOR THE GOOD OF THE ORDER:**

- WPUDA Meeting March 14-16 (Olympia) and April 18<sup>th</sup>-20<sup>th</sup> (Anacortes)
- Lyle Public Meeting –Water Rates March 19, 6:30pm (dinner at 6pm)
- Klickitat County Commissioners Joint Meeting April 10th

Note: Agenda is subject to last-minute revisions which may include the Board calling for an executive session.



# Public Utility District No. 1 of Klickitat County

80 Years of Service \* 1938-2018

## GENERAL MANAGER'S REPORT TO THE BOARD

For the **March 13, 2018** Meeting

### AGENDA ITEMS

- A. 1:30 EXECUTIVE SESSION: Per RCW 42.30.110(1)(i)- To discuss potential litigation of the MM28 Fire.
- B. Prequalification of Contractors- The purchasing department is requesting that we approve the 2018 list of contracts as submitted.
- C. Net Metering Discussion: Review drafts of Policy, Rates, and Resolution- Staff is asking that the Commissioners review the proposed Policy 25, Net Metering Agreement, Rate Schedule, and Resolution. If the board is in agreement with Staff's proposed changes, staff will bring back the final versions on March 27<sup>th</sup> for approval.
- D. Bid Rejection: Sixprong Substation 115kV Circuit Switcher Bid- Staff is requesting that the board reject all of the bids received for the 115kV Circuit Switcher bid for the Sixprong Substation due to a Technical Specification issue that affected all of the bids.
- E. Bid Award: Sixprong Substation 15kV Power Circuit Breaker- Staff is recommending awarding the bid to General Pacific as they were the low successful bidder.
- F. Bid Award: Sixprong Substation 115 and 15kV Disconnects- Staff is recommending awarding the bid to General Pacific as they were the low successful bidder.
- G. Bid Award: Sonova Switching station 115kV Power Circuit Breakers – Staff is recommending awarding the bid to General Pacific as they were low successful bidder.
- H. Call for Bid: Sixprong Substation 115kV Circuit Switcher- Following the finding of the technical specification issue and rejection of all of the original bids received, staff has addressed the technical specification and request board approval to call for bid on this item once again.

### NON-AGENDA ITEMS

- 1. Vacation - I will be in Mexico for spring break with the family 3/22 – 4/4. I'll miss the 3/27 meeting & the Net Metering rate hearing which I did not realize would be a conflict.
- 2. Klickitat County Commissioners Meeting-We have a quarterly update meeting scheduled with Klickitat County Commissioners on April 10<sup>th</sup> are there any specific items to discuss?
- 3. Press – The Goldendale Sentinel ran a story on the Moody's down grade a couple weeks back without reaching out to us for comment. Lou called me and asked if I would like to do an interview or a guest editorial and I said I would very much like to do the latter. I am attaching the piece, which was run in the March 7 edition of the Sentinel.
- 4. Potential Customer Attendance – a Mr. Steven Crothers of White Salmon said he was planning on attending, to talk to the Board, to ask PUD support of customers installing

Generlink devices; which are surge protection devices. He is also talking with Ron Schultz as there are implications on the demarcation between the PUD service and customer owned equipment.

5. 2017 Year End Financials – We found an error on the yearend financials in that an incorrect net operating margin rolled into the Cash Flow Statement. Attached are the revised financials. There is no change in our cash position, but it did affect the Days Cash on Hand, which went from 229 to 240 days.
6. Klickitat Wells & School Ballfield – Aspect Consulting is completing the well test report on the Klickitat wells but is waiting for results from iron bacteria testing to come back from the lab. Preliminary look at the data suggest that Well #2 has the capacity to supply to the water system’s needs, but the production is declining. We will follow-up with you further as we see more complete information, but we are starting to look at alternative sources for the community. We have also been discussing water supply to the school ballfields. There is a very strong community desire to keep these fields irrigated for community use. We have determined Well #1 cannot even keep up with supplying the fields. As a result, we will continue to supply the water to the school from the system. We are intending to propose to the school superintendent and the community that we implement a marginal cost rate for supplying these fields. This would ensure the system customers do not see any cost implications, but the school also has water supply at close to their current raw water rate. This is an issue we want the community to provide input on at the upcoming water and waste water meeting, currently scheduled for April 25<sup>th</sup>.
7. WPUDA Representation – Luann reached out to WPUDA for the current list of delegates. The only one that needs a Board motion is the Board of Directors. I am looking for input on the other committees though as well, so attached is the current list. Staff attendance is typically limited to me going quarterly (not monthly). Mike and I are much more involved during the legislative session. I have no wish to increase this involvement, but am looking for your input / guidance on representation.
8. 2018 Water & Waste Water System Community Meetings – attached is the current schedule for these meetings.
9. PacifiCorp Condit 69 kV Transmission Line – this continues to drag along. We had a draft purchase contract last summer with PacifiCorp, but that process stopped when BPA started reviewing transmission service plans in the Hood River, Bald Mountain and Skamania county areas. PacifiCorp planners are concerned that these plans of service may change their reliance on the Condit to Powerdale line, which we are trying buy a portion of. Ron Schultz will be working with BPA, PacifiCorp and Hood River Electric Co-op to resolve the issues so we can move forward.
10. Legislation – as of today (Wednesday the 7<sup>th</sup>), it appears that there will not be a carbon tax this session and that the RNG “support” bill along with some sort of commitment to study carbon reductions might move forward in place of the 100% renewable bill. How about those words for no commitment on anything? There is no tie between the RNG bill and the 100% renewables bill and the substitution makes no technical sense, but there is talk that this might allow that the legislature did “something” on carbon. I

assume the legislators are feeling pressure to do something to forestall a voters' initiative as they have zero input or control over that. The parties are talking.

11. BPA Net Secondary Revenue in Power Rates – I thought this was an interesting issue you should be aware of. It deals with how BPA is thinking about incorporating surplus revenues, which change drastically year to year, into their budgeting and rate making process. We have talked about this same issue here at the PUD for years and one of the alternatives looks a lot like what we have talked about. Attached is the PPC write up for your reading and potentially discussion.
12. Mark Yinger is Retiring – we received word from Mark that he is reducing his work load down and planning on retiring. He indicated that Lyle is one project he does not want to continue with. As a result, we are determining who we want to take this work on. There could be an impact to the system with regards to the well project as any new hydrogeologist needs to review the current design and support it or request changes. We will look at our options and move forward in the most cost effective and most timely manner possible.
13. NISC Dec 2018 – for information, we have been placed on NISC's implementation schedule for late 2018. Lots of work to do this year to get ready for that, but staff asked to move it up from early 2019 and NISC agreed.
14. Communication with legislators – for information, attached correspondence with our local legislators from last week to do with carbon legislation. The plan B approach was 100% renewables and no new natural gas projects.
15. JDPS Regional Support Meeting May 14<sup>th</sup> – as you know, Miland Walling has been working on our behalf to garner support of the project. He is working on a meeting including some trade consulates for May 14<sup>th</sup>. The proposed / tentative invite list:
  - UK Consulate Rep from Seattle
  - Canadian Consulate Rep from Seattle
  - Brian Bonlander or alt from Commerce
  - Tony Usibelli from Energy Office
  - Maia Bellon or alt from Ecology
  - Schuyler Hoss, Governors Office
  - National Grid representative from Boston
  - Rye Development representative from Boston
  - (previously tried to get US based CEOs here, presume we will make that effort again)
  - Matt Steuerwalt
  - Randy Knowles
  - Dan Gunkel / Doug Miller KPUD commissioners
  - Jim Smith, KPUD GM
  - Brian Skeahan KPUD rep
  - Miland Walling, City of Goldendale
  - Dave Sauter, Klickitat County Commissioner
  - Dave McClure, Klickitat County staff
  - Dana Peck, Goldendale Chamber of Commerce
  - MCEDD

- Gary Thompson, Sherman Co Judge, local OR rep
- Representatives Gina McCabe, Norm Johnson
- Senator Curtis King
- Senator Honeyford
- Shari Hildreth (JHB Deputy District Director)