



Public Utility District No. 1 of Klickitat County

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1938-2013

GENERAL MANAGER'S REPORT TO THE BOARD For the April 28, 2015 Meeting

AGENDA ITEMS

- A. PROFESSIONAL SERVICES CONSULTANT APPROVAL– Staff is asking for Board approval to add Petracore Design of Dallas, Georgia to Klickitat PUD's Professional Services Consultant Listing for the 2015 period. This firm has the ability and experience to provide web and application development for KPUD in regard to web hosting and web development.
- B. BID AWARD: Pole Test & Treating – Staff is recommending that the bid for the Pole Test & Treating be awarded to Quality Resource & Services Inc. in the amount of \$90,117.54. Bid opening was held April 16, 2015 at 2:00pm P.S.T. as advertised.
- C. Wishram CDBG Grant – MCEDD Contract – To move forward with the CDBG Grant process, we are asking for the Board's authorization for the General Manager or his designee to execute a contract with Mid-Columbia Economic Development District (MCEDD) to provide services related to completing a Community Development Block Grant application for the Wishram Water System.
- D. EXECUTIVE SESSION: Potential Litigation – Mile Marker 28 Fire – Staff will provide an update during executive session.

NON-AGENDA ITEMS

1. White Creek – Output for the first quarter is down 27.4% from plan. 92,622 Megawatt Hours (MWhs) were produced against a plan of 127,660 MWhs. Availability was 95.4% on a plan of 95%. The results are just poor wind speeds for the first three months, 5.15 m/s versus a plan of 7.17 m/s. Total curtailments were 6,320 MWhs and very little more is expected. The budget includes 40,000 MWhs lost. Total O&M costs were 2.6% above budget for the quarter and reimbursable costs are above budget by 8.8%, mostly consisting of BPA persistent deviation charges and station service costs as the wind speeds were low. Station service is a revenue to KPUD. These costs total about \$34,000. We are starting our change in scheduling with TEA / Cowlitz, so we will see how this impacts our persistent deviation charges. We expect a significant improvement.
2. State Energy Task Force Tour – The National Conference of State Legislators' tour of projects in Klickitat County and Tri-Cities was been cancelled. The Committee felt it would be too much for their members to spend a day touring before their annual conference in Seattle. Instead, they will fly directly to Seattle and visit a facility there.

3. CDBG Project Sponsorship – Following our presentation to the Klickitat County Commissioners, they have voted in favor of sponsoring our Wishram water supply project during this CDBG funding cycle. PUD and County staff met this week to start the process to meet the June 1st application deadline. One of the requirements is that 51% or more of the persons to benefit from the project must be low to moderate income. We will be performing a door to door audit to gather the data needed to confirm that our water customers meet the income requirement.
4. Columbia River Treaty Negotiations – PPC’s Scott Corwin’s comments are enclosed regarding a letter sent April 14, 2015 by members of Congress from the states of Washington, Oregon, Montana and Idaho calling for action by the Obama Administration on the Columbia River Treaty.
5. Renewable Natural Gas Project Update – Kevin Ricks will be discussing our progress as part of the Operations report. I am “cautiously optimistic” that we can find an arrangement that will result in improved financial performance at the site. SB 5424 was signed into law by the Governor on April 17th.
6. Customer Interaction – We attended meetings in Wishram and Klickitat, and are scheduled to be in Lyle on the 27th. I also did a talk show recording with Julian Notestein that will air May 5th and issued press releases regarding the public electric rate hearing May 12th. In addition, I communicated with representatives from Rimrock, Bickleton, Alderdale, Ponderosa Park and Dallesport. We are also trying to set a meeting with Roosevelt as we have not discussed their water and wastewater rates with them yet.

The contents of this report are privileged and confidential and are intended for the use of the Klickitat PUD Board of Commissioners and KPUD employees only.