

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
Tuesday, October 11, 2016  
2:00pm

**CALL TO ORDER:** President Ray Mosbrucker called the meeting to order at 2:00pm.

**PRESENT:** Commissioners Ray A. Mosbrucker-President and Randy L. Knowles-Vice President.

**STAFF PRESENT:** Jim Smith-General Manager, Craig Lohrey-Operations Manager, Gwyn Miller-H.R. Manager, Kevin Ricks-Generation Assets & Special Projects Manager, Ron Schultz-Chief Engineer, Anita Thompson-Controller, Rob Rising-Line Superintendent, Cynthia Bruce-Acts Payable/Accounting Clerk, and Kathy Loveland-Executive Assistant.

**GUESTS:** Terry Stone-KPUD Customer, Gary Clayton-KPUD Customer, Brian Skeahan-Pumped Storage Project Coordinator, Nate Sandvig-National Grid, and Dave McClure-Klickitat County Economic Development

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

**MINUTES:** **MOTION** was made by Commissioner Randy Knowles to approve the September 27, 2016 meeting minutes as presented. Motion carried.

**CLAIMS & PAYROLL:** Presented by Cynthia Bruce. 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 11<sup>th</sup> day of October, 2016.

**MOTION** was made by Commissioner Randy Knowles to approve the following as presented:

- Accounts Payable Voucher numbers 107719 through 107945 in the total amount of \$1,203,611.50 and Wires, ACH and EFT numbers 8800565 through 8800573 in the total amount of \$1,132,287.84 for the period ending October 11, 2016; and
- Payroll Warrant numbers 43303 through 43305 and ACH Direct Deposit Payroll transactions 9916218 through 9916298 in the total amount of \$177,195.25 for the payroll period ending October 2, 2016.

Motion carried.

**PUBLIC COMMENTS:** Terry Stone addressed the Board, stating that he has two purposes for attending the meeting today -- (1) to request a refund of his deposit in the amount of \$300.00; and (2) to bring to the attention of the Commission that the District does not have a data privacy policy. Mr. Stone provided the Board with background information on why, in his opinion, the Board should approve a refund of his \$300.00 deposit. Following discussion, the Board authorized staff to apply Mr. Stone's \$300.00 deposit as a credit on his account.

**REPORTS:**

**COMMISSIONER DAN GUNKEL** – absent.

**COMMISSIONER RANDY KNOWLES** – No report at this time.

**COMMISSIONER RAY MOSBRUCKER** reported that he attended the joint meeting this morning with the Klickitat County Commissioners, along with Jim Smith.

**GENERAL MANAGER** – The complete report can be found at:

[http://www.klickitatpud.com/topicalMenu/commissioners/GM\\_Reports.aspx](http://www.klickitatpud.com/topicalMenu/commissioners/GM_Reports.aspx)

In addition to the written report, the following information was presented to the Board:

- (1) Mr. Smith reported that 101 Bar Ranch should be submitting an application to DOE for water tomorrow if all goes well.
- (2) McNary Hydro Fishway Project – The plan is to bring the project online for about 3 weeks, and then it will be shut down for two months for the Corps of Engineers to work on the fish ladder modifications. The Hydro project will be dewatered during that time to check out all of the new turbine and modifications. Mike noted that the insurance company has stated that they are motivated to close out the claim by the end of October.

The report was accepted as presented.

**AGENDA ITEMS:**

- A. 2:30pm - PUMPED STORAGE UPDATE – Brian Skeahan and Nate Sandvig of National Grid were present to discuss National Grid’s interest in the pumped storage project with the Board. Dave McClure from the County was also present to stay informed as the County is very supportive of this project. Nate gave an overview of National Grid, their pumped storage experience and why they are interested in the John Day Pool pumped storage project. Discussion ensued with the Board on allowing them to complete due diligence to decide if they want to further explore developing this site. Nate proposed that a Memorandum of Understanding (MOU) be written between Klickitat PUD and National Grid. The scope for work would be for National Grid to further evaluate the To be able to come up with a clear sense of the project viability in terms of revenue streams and a legal perspective on how to commercialize it would be a May or potential revenue streams possible given the site and design proposed for the site, as well as further define legal and permitting issues by the end of 2017. An MOU would allow National Grid to review the work that Klickitat PUD has already done on the project, and in turn, they would provide the District with the information they complete. The Board is not expecting Klickitat PUD to position itself again as an owner / builder of the pumped storage project; and proceeding with an MOU would not commit the District financially. The project would be a good thing for the county as a whole if it were to get constructed. Dave McClure noted that at the Power Council’s meeting today, discussions are finally starting regarding grid scale pumped storage. Commissioner Knowles stated that strategy wise, this could move the project forward and provide an opportunity for the District to stay involved at some level. The only obligation to the District by signing a MOU would be additional time spent by Brian Skeahan on the project, as well as Jim Smith. Following further discussion, **MOTION** was made by Commissioner Randy Knowles to authorize the General Manager to execute a Memorandum of Understanding (MOU) with National Grid substantially in the form thereof as discussed, to allow them to further investigate the pumped storage project without committing the District financially. Motion carried.
  
- B. RESOLUTION No. 1722 – **MOTION** was made by Commissioner Randy Knowles to adopt Resolution No. 1722, thereby implementing a formal Data Privacy statement to meet the new state laws, and directed staff to submit a Policy Bulletin at a future meeting for the Board’s consideration. Motion carried.
  
- C. DRAFT RESOLUTION RE: BONDS – Jim Smith presented a draft resolution for background information for the Board in regard to redemption of \$8,775,000 of 2006B Bonds in order to maintain a consistent debt repayment schedule and reduce future interest charges by \$3,058,388. This was a discussion item only, with a final version of the resolution to be submitted at the next Board meeting for the Board’s consideration for adoption. No action is required at this time.
  
- D. RESOLUTION No. 1721 – **MOTION** was made by Commissioner Randy Knowles to adopt Resolution No. 1721, thereby recognizing Ron Ihrig’s upcoming retirement in appreciation of his 37 years of dedication to the District and to wish him well in his retirement. Motion carried.
  
- E. H.W. HILL LANDFILL GAS CONTRACT – In response to the Board’s direction at the previous meeting for staff to complete a thorough due diligence process on British Petroleum’s (BP) renewable natural gas proposal, staff presented documentation of the progress they have made to date. Mike DeMott’s report included an outline of the project team and their responsibilities, as well as the identified project risks with preliminary mitigation strategies. Staff will provide the Board with updates at Board meetings until the due diligence is completed and recommendations made to the Board. This would include a final contract from BP for the Board’s consideration. No action is required at this time.

**ADJOURNMENT** – There being no further business, the meeting adjourned at 4:30pm.

\_\_\_\_\_/s/\_\_\_\_\_  
Ray A. Mosbrucker, President

\_\_\_\_\_/s/\_\_\_\_\_  
Randy L. Knowles, Vice President

\_\_\_\_\_(absent)\_\_\_\_\_  
Dan G. Gunkel, Secretary

\_\_\_\_\_/s/\_\_\_\_\_  
Kathy Loveland, Executive Assistant

Date Approved: 10/25/2016