

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
Tuesday, April 12, 2016  
2:00pm

11:00 a.m. –Board Workshop (see separate minutes)

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

**PRESENT:** Commissioners Ray A. Mosbrucker-President, Randy L. Knowles-Vice President, and Dan G. Gunkel-Secretary.

**STAFF PRESENT:** Jim Smith-General Manager, Kevin Ricks-Generation Assets & Special Projects Manager, Anita Thompson-Accounting Manager, Mike DeMott-Interim Power Manager, Ron Schultz-Chief Engineer, Rob Rising-Line Superintendent, Cynthia Bruce-AP/Accounting Clerk, and Kathy Loveland-Executive Assistant.

**GUESTS:** None.

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

**MINUTES:** **MOTION** was made by Commissioner Dan Gunkel to approve the March 22, 2016 meeting minutes as presented. Motion carried.

**CLAIMS & PAYROLL:** Presented by Anita Thompson and 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 on April 12, 2016.

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

- Accounts Payable Voucher numbers 106216 through 106343 in the total amount of \$574,176.77 and Wires, ACH and EFT numbers 8800459 through 8800467 in the total amount of \$286,392.24 for the period ending April 12, 2016; and
- Payroll Warrant numbers 43272 through 43275 and ACH Direct Deposit Payroll transactions 9915082 through 9915241 in the total amount of \$339,413.83 for the payroll periods ending March 20, 2016 and April 3, 2016.

Motion carried.

**PUBLIC COMMENTS:** None.

**REPORTS:**

**COMMISSIONER DAN GUNKEL** gave a quick report on Energy Northwest's Columbia Generating Station. He is in receipt of some relevant cost of power numbers for the station that include O&M, capital, and fuel amortization. They are as follows: \$48.53 FY2013, \$38.83 FY2014, and \$51.73 FY2015, with a projection of \$52.18 FY2017 and \$37.90 FY2018. The differences are due to their refueling planned outages every-other year. These numbers do not include debt service.

Commissioner Gunkel also reported that Klickitat County's Economic Development Department is moving forward with their strategic planning, and have inquired as to his availability for upcoming meetings in May.

**COMMISSIONER RANDY KNOWLES** reported that he and Jim Smith attended a meeting at Klickitat County's Public Works office at which Senator Maria Cantwell was present. Commissioner Knowles gave about a 30 second presentation at that meeting, regarding the PUD's complex issues. He will continue working with Senator Cantwell's staff. Commissioner Knowles also noted that he asked Jim Smith to attend the White Salmon Rotary meeting in his absence, on April 5<sup>th</sup>. Jim noted that the turnout at that meeting was relatively low due to spring break, however he had a good discussion with the group.

**COMMISSIONER RAY MOSBRUCKER** – No report at this time.

**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, Mr. Smith provided the following information:

- (1) An applicant for the position of Operations Manager has accepted the job and will be starting in August.
- (2) We have no further information to present in regard to Mile Marker 28 fire at this time. The report was accepted as presented.

**H.W. Hill LFG PROJECT** – Kevin Ricks presented the monthly H.W. Hill LFG report for March, 2016 noting that the average station output was 18.8 average MW, reliability factor was 99.85%, and gas production per total million BTU was 136,655. In regard to the gas supply question from Commissioner Gunkel at the previous Board meeting, Kevin noted that although our gas supply from the landfill has been down the last couple of years we are expecting an increase with new wells that are supposed to be coming online this year. It's hard to isolate the exact cause of the gas supply being down; however Kevin continues to have these discussions with RDC and will continue looking after our priorities. Commissioner Gunkel commented that the performance and trends of gas should continue to go up, not stay the same. The report was accepted as presented.

#### **AGENDA ITEMS:**

- A. **FOLLOW-UP / ACTION OF FROM WORKSHOP** -- Jim Smith was given direction from the Board during the workshop for moving forward with power purchase agreement alternatives for the H.W. Hill Landfill gas project, as well as direction on the slice off-ramp with the Bonneville Power Administration. A formal motion was not required at this time.
- B. **CALL FOR BID** – **MOTION** was made by Commissioner Dan Gunkel to authorize staff to advertise a call for bids for the Bingen substation power transformer, with a bid opening date of 5/12/2016 at 2:00pm. Motion carried.
- C. **RESOLUTION No. 1710 – Surplus of Vehicles** – **MOTION** was made by Commissioner Randy Knowles to authorize staff to declare vehicles #48, #26, and #80 as surplus property to be sold through Klickitat County's Rural 7 Fire Department auction. Motion carried.

- D. PROFESSIOINAL SERVICES CONSULTANTS – **MOTION** was made by Commissioner Dan Gunkel to approve the addition of Sapere Consulting of Walla Walla, WA and ES Consulting of Portland, OR to Klickitat PUD’s Professional Services Consultants roster for the 2016 period. Motion carried.
  
- E. RESOLUTIONS No. 1711 & 1712 – **MOTION** was made by Commissioner Dan Gunkel to adopt Resolutions No. 1711 and 1712 in recognition of Senator Curtis King and Representative Norm Johnson for their legislative leadership in support of expansion of PUD authority, allowing Klickitat PUD to maximize renewable energy generation from the H.W. Hill Landfill Gas project. Motion carried. Commissioner Mosbrucker will inquire at the next Washington PUD Association meeting if these resolutions and plaques from WPUDA can be presented to Senator King and Representative Johnson at their offices in Olympia. The local press will be made aware of this action.
  
- F. EXECUTIVE SESSION: Real Estate – President Mosbrucker called for an Executive Session at 3:00pm per RCW42.30.110 for the purpose of discussing leasing of water rights from the Cliffs system, noting that the session would last for 30 minutes. Tom McDonald with Cascadia Law Group was present during this discussion via teleconference.

**RCW 42.30.110 – Executive Sessions.**

(1) Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting:

(c) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;

The Executive Session concluded at 3:30pm. No action was taken at this time.

- G. CALL FOR PROPOSALS FOR LEASING OF WATER RIGHTS – **MOTION** was made by Commissioner Randy Knowles to authorize staff to issue a call for proposals for the leasing of 4,000 acre-feet of water rights from the Cliffs Water System with changes as discussed during executive session. The proposal will be revised by Tom McDonald. Motion carried.
  
- H. RECESS – President Mosbrucker called for a recess at 4:00pm in order for the Commissioners to travel to The Dalles, Oregon.
  
- I. RECONVENE – President Mosbrucker reconvened the meeting at 5:30pm for the purpose of holding a joint work session with the Northern Wasco PUD Commissioners and staff regarding the McNary Hydro Project.
  
- J. RECESS – President Mosbrucker recessed the joint meeting at 6:09pm.
  
- K. RECONVENE – President Mosbrucker reconvened the Klickitat PUD Board’s meeting at 6:10pm.  
**MOTION** was made by Commissioner Randy Knowles to authorize expenditure in the amount of \$2.5M for the stator rewind at the McNary Hydro Project, per the recommendation of the project maintenance and repair team. Northern Wasco PUD will be expending \$2.5M as well. Motion carried.

**ADJOURNMENT** – There being no further business, the meeting adjourned at 6:15pm.

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Ray A. Mosbrucker, President

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Randy L. Knowles, Vice President

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Dan G. Gunkel, Secretary  
Date Approved: \_\_\_\_\_

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Kathy Loveland, Executive Assistant