

Public Utility District No. 1 of Klickitat County
Board of Commissioners' Meeting
Tuesday, February 28, 2017

AGENDA

Time: **KPUD Commission Regular Meeting Start Time – 2:00pm**

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

➤ **Pledge of Allegiance**

- Approval of Minutes – 2/14/2017 Meeting
- Approval of Claims / Vouchers for period ending 2/28/2017 (*Cynthia*)
- Approval of Payroll for period ending 1/19/2017 (*Cynthia*)

➤ **PUBLIC COMMENT PERIOD**

➤ **REPORTS – 10 min. each:**

- Commissioners' Reports
- Manager's Bi-Monthly Report (*Jim Smith*)
-(see attached report)
- Power Management-January Report (Mike DeMott)
- Financials – Year End (Gwyn Miller/Brandy Myers)
- Operations – January Report (Craig Lohrey/Rob Rising)
- Engineering – January Report (Ron Schultz)

GUESTS:

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

- A. PRE-QUALIFICATION OF CONTRACTORS [*Rob Rising*]
- B. PROFESSIONAL SERVICES CONSULTANTS [*Ron Schultz*]
- C. BID AWARD: Bingen Substation Above Ground Construction [*Ron Schultz*]
- D. 4:00pm – RECESS
- E. 6:00pm – RECONVENE / JOINT WORK SESSION WITH N. WASCO PUD
- F. ADJOURNMENT

FOR THE GOOD OF THE ORDER:

2/28 – Joint Board Meeting with N. Wasco PUD, 5pm Dinner, 6pm Meeting, The Dalles
3/01 – Trout Lake Customer Meeting, 7:00pm, Trout Lake
3/15 – Goldendale Kiwanis, 7:00am, Simcoe Café, Goldendale
3/21 – White Salmon-Bingen Rotary, 12:00, White Salmon
3/22 – Klickitat Customer Meeting, 6:30pm, Klickitat
3/29 – Wishram Customer Meeting, 5:00pm, Fire Hall, Wishram

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

79 Years of Service * 1938-2017

GENERAL MANAGER'S REPORT TO THE BOARD For the February 28, 2017 Meeting

AGENDA ITEMS

- G. PRE-QUALIFICATION OF CONTRACTORS – Staff is requesting Board approval to approve the addition of a **new** contractor - Hale Construction NW of Hood River, Oregon - to KPUD's Small Works Roster for the 2017 calendar year as they have met our qualification requirements; and to also approve the renewal of 124 contractors currently on our Small and Large Works Rosters for the 2017 calendar year as they continue to meet our qualification requirements (see enclosed listing).
- H. PROFESSIONAL SERVICES CONTRACTORS – Staff is requesting Board approval for the addition of 7 firms to KPUD's Professional Services Consultants listing for the 2017 period, as they meet our qualification requirements. They are:
- Commonwealth Associates Inc. of Everett, WA
 - Mark Yinger Associates of Sisters, OR
 - David F. Quinn P.E. of Longview, WA
 - Strategies 360 Inc. of Seattle, WA
 - RH2 Engineering Inc. of Richland, WA
 - ACIEM Consulting of Seattle, WA
 - Power Engineers of Hailey, ID
- I. BID AWARD – Staff is asking for Board approval to award the bid for the Bingen Substation Above Ground Construction project to Michels Corporation in the amount of \$172,594.84 excluding taxes. Bid opening was held February 23, 2017 as advertised.
- J. 4:00pm – RECESS
- K. 6:00pm – RECONVENE / JOINT WORK SESSION WITH N. WASCO PUD
- L. ADJOURNMENT

NON-AGENDA ITEMS

1. **REMINDER** -- Joint work session on Tuesday with N. Wasco PUD in The Dalles, Oregon. They have invited us to join them for dinner at 5:00pm, with the joint meeting scheduled for 6:00pm (agenda enclosed).

2. GM Meeting Attendance:
 - Feb. 16 – Public Generating Pool, Seattle
 - Feb. 21 – Irrigators Meeting in Goldendale
 - Feb. 21 – Wishram School Board Meeting regarding new Wishram water well
 - Feb. 23 – High Prairie Customer Meeting
 - Feb. 24 – 101 Bar Ranch Site Meeting
 - Feb. 28 – Irrigators Meeting in Bickleton
 - Feb. 28 – County / Columbia Gorge Bi-State Renewable Energy Zone Meeting regarding Van't Hof consulting contract in Goldendale
3. Staffing Update – Interviews took place on February 23rd for the accounting clerk/accountant position, and on the 24th for the hot apprentice/ lineman positions. The Executive Assistant position was posted, as was the system engineer position. These are all existing vacant positions being filled or positions with retirements coming up very soon, with the exception of the system engineering position, which is an additional FTE, replacing the system engineer laid off in 2012.
4. Customer Meetings – Attached is the latest schedule for Community meetings. Please let Kathy know if you will be attending.
5. RNG Update – Staff will provide an update at the meeting.
6. H.W. Hill Power Sales – Since the last Board meeting, Mike DeMott has firmed up pricing for a three or five year power sale from the facility. Mike will run through revised slides from last Board meeting with these specific numbers and present you with a proposal for your consideration.
7. Strategic Planning – I am meeting Therese Hampton on Monday to discuss our next steps in working to complete our 2017 Strategic Plan and will be prepared to discuss with you at the meeting.
8. Cliffs Water Rights – I attended a site meeting for Ecology at the 101 Bar / Goodnoe Station project with the Goodnoe Station folks and Ron Ihrig. The public comment period is closed with two comments received, one from Fish and Wildlife and one for Klickitat County supporting the project. I thought the meeting went very well and Ecology was asking very pertinent questions.
9. EPA Nomination – The Senate approved the nomination of former Oklahoma Attorney General Scott Pruitt to lead the Environmental Protection Agency in a 52-46 vote. Pruitt is expected to help President Trump loosen environmental regulations and new executive orders from the administration targeting the Clean Power Plan and other rules are expected shortly after he is sworn in. We assume there will be some impact on the Renewable Fuels Program (RFS), but given it is a congressional legislated program, we are not sure how that will impact the RIN market. Trading has been thin in 2017 but prices have remained stable so far. We will be monitoring developments closely.
10. Pacific Northwest Snow and River Flows and Spill – Two reports by Energy GPS are enclosed to give you some idea of the impacts of the recent weather patterns on the entire west coast region and the limitations of the Federal hydro system. They indicate that even with the high flows, the system is generation constrained and there is still positive market pricing. I also attached a TEA issued snow pack report from this week's risk management meeting. It is important to note that

much of this has been rain, so that while river flows are above average, there are areas in southern British Columbia and Idaho / Montana where the snow pack is not at average levels yet. That may change in the coming months, but I note it as interesting information.

11. Public Comments – We have received many good comments from our customers, thanking our crews for keeping the power on throughout the cold winter. We also received a specific written appreciation to the White Salmon crew from Allan Shafton of Bingen. He was very appreciative of our crew taking the time to notify him of the short outage that would take place in order for the crew to upgrade a transformer to a cutout in Bingen across the street from his house. He stated that the crew was efficient and very customer focused, and also thanked everyone at the PUD for the efforts in keeping the power on this winter with so much snow and ice.