

Public Utility District No. 1 of Klickitat County
Board of Commissioners' Meeting
Goldendale, WA

Tuesday, April 25, 2017

AGENDA

REVISED

STRATEGIC PLANNING SESSION: 10:00am

REGULAR MEETING: 2:00pm

- **Pledge of Allegiance**
- Approval of Minutes – 4/11/2017 Meeting
- Approval of Claims / Vouchers for period ending 4/25/2017 (*Cynthia*)
- Approval of Payroll for period ending 4/16/2017 (*Cynthia*)

➤ **PUBLIC COMMENT PERIOD**

➤ **REPORTS – 10 min. each:**

- Commissioners' Reports
- Manager's Bi-Monthly Report (*Jim Smith*) - report attached
- Power Management Monthly Report (*Mike DeMott*)
- Accounting – March Financial Report (*Nichole / Gwyn*)
- Operations /W-WW Monthly Reports (*Leo Perth/Jim Smith*)
- Engineering Monthly Report (*Ron Schultz*)

GUESTS:

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

- A. OLD HWY 8 FIRE MEDIATION REPORT** (*Jim*)
- B. PRE-QUALIFICATION OF CONTRACTORS** (*Leo*)
- C. RESOLUTION No. 1736 "Credit Card Authorization"** (*Jim*)
- D. DESIGNATION OF ENW PRB DELEGATES** (*Jim*)
- E. SET PUBLIC HEARING DATE: Water-WW Rates** (*Jim*)
- F. BID AWARD: Bingen Substation Relay & Control Panel** (*Ron*)
- G. FINANCIAL OUTLOOK** (*Mike*)
- H. APPROVAL OF CONTRACTS & RESOLUTIONS No. 1737 & 1738 RE: RNG Project**
- I. ADJOURNMENT**

FOR THE GOOD OF THE ORDER:

4/25 – Board Strategic Planning Session, 10:00am, Goldendale
5/06 – KPUD Safety Banquet / Kathy's Retirement, Goldendale
5/09 – Rimrock Customer Meeting, 6:30pm, Goldendale
5/11 – Bickleton Customer Meeting, 7:00pm, Bickleton
5/13 – Ponderosa Park Customer Meeting, 9:00am, Goldendale

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 April 25, 2017 Meeting

STRATEGIC PLANNING – A special meeting has been advertised for April 25th at 10:00am – 2:00pm for the purpose of holding the 2nd portion of our Board strategic planning session with senior staff. I would also like to include a proposal for a specific strategy for the water & wastewater department. Therese Hampton will be present to continue as our moderator.

AGENDA ITEMS

- A. **OLD HIGHWAY 8 FIRE MEDIATION REPORT** -- The mediation process for the Old Highway 8 fire was held this past Tuesday, April 25th. The fire occurred August 26, 2010, when winds snapped a green, co-dominant stemmed pine tree, one stem of which then fell into our lines. The fire suppression claim from DNR was for \$1.6 million and the litigation risk was estimated at \$3.4 million, including attorney's fees and accrued interest. The Attorney for our insurance carrier, PURMs, led the court-ordered mediation. PURM's third party extended insurance coverage provider, AEGIS was also involved. The parties reached a settlement of \$1.3 million and any and all claims will be dismissed with prejudice. This settlement payment will be made by PURMs and AEGIS.
- B. **PRE-QUALIFICATION OF CONTRACTORS** – Staff is requesting Board approval to add the following contractors to KPUD's Small Works Roster for the 2017 calendar year, as they have met our qualification requirements.
 - Allyns Building Center of Goldendale
 - 493 Earthmovers of Bingen
 - Henry Kempton of White Salmon
- C. **RESOLUTION No. 1736 "Credit Card Authorization"** – I am recommending that the Board adopt Resolution No. 1736, thereby authorizing the issuance of credit cards for Leo Perth-Electric Operations Manager, and Jim Moss-Products and Services Analyst, to be used for Klickitat PUD business transactions only.
- D. **DESIGNATION OF ENERGY NORTHWEST (ENW) PARTICIPANTS REVIEW BOARD (PRB) DELEGATE** – I am recommending that the Board nominate Commissioner Dan Gunkel to serve as the District's representative and voting delegate for Energy Northwest's PRB, and to nominate Commissioner Randy Knowles as an alternate and voting delegate at ENW's annual meeting on May 9, 2017 during North West Public Power Association's annual meeting.

- E. SET PUBLIC WATER-WW RATE HEARING – I am recommending that the Board set a public hearing date for 3:00pm, May 23, 2017 for the purpose of reviewing, discussing, and adopting staff's proposed revisions to the water and wastewater rates for the systems owned and / or operated by the District.
- F. BID AWARD: Bingen Substation – Staff is recommending that the bid for the Bingen Substation Relay & Control Panel be awarded to Specialty Electrics in the amount of \$82,715.00. Bids were opened on April 19, 2017 at 2:00pm as advertised.
- G. FINANCIAL OUTLOOK & RATE IMPACTS 2017 – The 2017 budget that was approved in December of 2016 included a requirement for staff to review our financial performance and make recommendations to the Board regarding the potential for an electric rate increase July 1, 2017. The assumptions in the budget included the potential for a 3% electric rate increase. Staff has completed a year-end forecast with actual revenue and expense figures through the end of the first quarter of 2017. As a result of this work, I have concluded that unless something unexpected changes significantly in the coming months, an electric rate adjustment is not required July 1st of this year. Mike DeMott will be presenting the update on our financial outlook for 2017 for your review, discussion and potential action, if any.

NON-AGENDA ITEMS

- 1. GM Meeting Attendance:
 - April 11 – Glenwood Customer Meeting
 - April 12 – Julian Notestine radio talk show interview (KLCK)
 - April 13 – Dallesport Customer Meeting
 - April 18 – Mediation regarding Old Hwy 8 Fire
 - April 20 – Public Generating Pool Meeting
- 2. Tuesday, May 23 Commission Meeting – Tuesday will be a busy Commission meeting day, starting off with our quarterly meeting with the Klickitat Board of County Commissioners at 11:00am, quarterly employee recognition luncheon at 1:00pm, and our regular meeting starting at 2:00pm which will include a public hearing for the water-ww rates at 3:00pm.
- 3. My focus this past couple weeks was on the community meetings and working with staff on daily issues. This included strategic planning and staffing issues.