



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the July 27, 2021 Meeting

AGENDA ITEMS:

- A. Call for Bid: 2021 CIC Bid - staff will present a call for bid for the 2021-12 kV cable in conduit contract.
- B. Moss Adams Audit Review - the exit interview with Moss Adams is set for 3:00. We received a clean audit.

NON-AGENDA ITEMS:

- 1. Commission Meeting Requirements - Last meeting we discussed discontinuing the remote access for Commission meetings as we are now allowing the public to attend in person. However, it turns out that this is not an option at this time. The current Proclamations still require remote access for customers and ALLOW an in person component to public meetings until the proclamations change. How this is happening appears to be: public meetings are prohibited, remote access is required, but an in person component is now allowed. This seems backwards, but here we are.

So, we are continuing the use of the phone line for our customers to attend the meetings that way. The following is a summary for the relevant proclamations:

- a. Proclamations 20-28, et seq., are amended to (1) recognize the extension of statutory waivers and suspensions therein by the Washington State Legislature until termination of the state of emergency pursuant to RCW 43.06.210, or until rescinded, and (2) similarly extend the prohibitions therein until termination of the state of emergency pursuant to RCW 43.06.210, or until rescinded, whichever occurs first.
- b. Agencies holding public meetings must (a) provide the opportunity for the public to attend the proceedings through telephonic access and may also include other electronic means of remote access; and (b) provide the ability for all persons attending the meeting to hear each other at the same time.
- c. An agency may elect to include an in person component, but must comply with relevant proclamations.

- d. Fully vaccinated people to show proof of vaccination if requested.
2. The Department of Commerce - requested information on the utility system performance during the recent heat wave. Our response was:
- a. Peak demand day, and MW and changes to your forecasting?
Our peak demand day was 6/28 and the peak occurred at HW13. Our peak was 88.91MW. Forecasted June peak previous to this heat event that forecast would have been roughly 70MW. This is recent averages with the inclusion of new larger loads.
 - b. During the peaks what was the average MW?
On the day of our June peak the average on peak loads were 80.73MW.
 - c. Any factors that helped your utility in the planning, such as cross coordination with generating facilities and partner utilities, coordination with BPA, participating in the NW Power Pool, and anything else that was helpful?
As a BPA load following customer there was little action we needed to take other than be aware of potential issues with BPA power supply and monitoring of availability of our above BPA power delivery from The Energy Authority (TEA).
3. Issues with Century Link Service in the White Salmon / Husum Corridor - During the most recent power outages in this area, BPA, Pacific Corp and ourselves have been impacted by Century Link service interruptions due to the lack of power backup at two of their sites. This has increased the length of the outage, but also impacts our ability to communicate with BPA, Pacific Corp and our crews to ensure safe system operations. Attached is a letter from Ron Schultz to Century link requested that this situation be corrected. I understand that Century Link is responding favorably, and Ron can provide an update at the meeting.
4. State of Oregon Files Motion Regarding Columbia River System Operation - in spite of their involvement in the Columbia Basin Collaborative process, the State of Oregon filed a Motion for a court injunction for the courts to control of the Columbia River system operations. Attached are Northwest River Partners and PPC's press releases for your reading.
5. Strategic Planning - we are holding our staff level strategic plan review with Therese Hampton the week of the Board meeting. My intent is not changing the strategic plan, it is making the plan and its strategies a part of our budgeting and goal setting process. I do

hope we can tweak the strategies though to better support your direction. I am planning on doing a formal plan review with you and staff in 2022.

6. Lyle Fire and Department of Natural Resources - DNR reached out to us to work with our investigators on their fire investigation for this fire. It would appear that our work on the DNR / Utility Task Force has indeed had some impacts on their procedures.
7. Glenwood Water Rights - Sharon Blodgett, Russ Patton and Brandon Walter met via teleconference with the Yakama DNR to discuss water rights for the Glenwood water system. They reported that this initial staff level meeting was very productive and positive. They will update you as part of Sharon's WWW report.



Century Link Management

July 15, 2021

Klickitat County Resident Safety Concerns

Klickitat PUD is making a request that Century Link replace the batteries in the CSA equipment serving two important locations in the White Salmon area, specifically the Bonneville Power Administration Bald Mountain Substation, and our communications facility on Ramsey Lane. These two pieces of equipment are considered critical to our infrastructure, utility operations, and the safety of our citizens.

The **Loop Road - CSA** at the Baptist Church provides communications to Bonneville Power (BPA) Dispatch Centers in Meade and Vancouver, Washington. This communications path is used for SCADA indication and control of the BPA breakers in their Bald Mountain Substation, which serves Bingen, White Salmon, Snowden, Husum, Gilmer, Glenwood, and Trout Lake. This is approximately 40% of our entire customer base. Without this link, BPA has no indication of a breaker being open, nor do they have the ability to close it remotely. Additionally the Pacific Corp Dispatch Center in Portland, monitors the line and breakers from Bald Mountain to Bingen which utilizes this same data path. Without the ability to monitor and control, the failure of the equipment during a power outage can add hours to restoration time in the event it opens, as both entities must dispatch personnel from Oregon. This has happened at least two times this year, and KPUD Management and our elected Commissioners have expressed concern. In addition to the impacts we all see with extended electricity outages, we want to ensure you are aware that with the increase in fire danger in recent years, extended electric system outages can affect a water system's ability to provide water for fire-fighting, and prevent residents from utilizing their wells for local fire protection if not a part of a water system. The Bonneville Power Administration, has also asked if we could help them get these communication issues resolved.

Our Ramsey Lane radio site utilizes a backbone line that goes from our facility to the Klickitat County 911 center for radio communications. When we have a power failure to the site, our west-side communications fail. I believe the sites that need battery backup for this facility are the **Echo - CSA**, and the **Bates - CSA**. This can be considered crucial, as we need the radio communications with the crews during outages, and also during the enhanced fire seasons we are seeing.

Please consider this formal request as a priority to resolve. We look forward to a response.

Thank you,

Ron Schultz
Engineering Manager

FOR IMMEDIATE RELEASE
July 23, 2021

Contact: Scott Simms
Phone: (503) 595-9775
Email: ssimms@ppcpdx.org

Public Power Council Statement on Oregon and Others Seeking to Dismantle Regional Hydro Agreement

PORTLAND, Ore. – On Friday July 16, Oregon asked a federal trial court to impose round-the-clock spill from the dams on the Columbia and Snake Rivers, a scientifically unproven step that may ultimately harm endangered fish but also threatens grid reliability, affordable electric rates, and Oregon’s climate goals.

Just months after recommitting to “flex spill” – a negotiated agreement to increase in-river flows to aid salmon while providing flexibility needed to maintain valuable carbon-free energy resources – Oregon has asked the court to dismantle that agreement with the Bonneville Power Administration (BPA) and require maximum spill throughout the year. Oregon is seeking this action amid record heat waves across the Pacific Northwest, despite reduced reservoir levels due to sustained drought and wildfires that threaten blackouts for an already strained Federal power system.

“Once again, the State of Oregon has continued down its path of broken promises. The state calls for collaboration, but acts in a unilateral and cavalier manner,” said PPC Executive Director Scott Simms. “Flex spill was presented to BPA power customers as a means of ending litigation, a ‘compromise’ that would exchange greater spill for increased flexibility of a multi-purpose system. With that trade-off now upended by Oregon’s actions, the federal agencies that operate the system should revisit the flex spill agreement,” continued Simms. “Oregon never gave the flex spill operations a chance, reverting to its advocacy for dam removal rather than pursuing balanced regional solutions to salmon recovery.”

The Federal Columbia River Power System – marketed by BPA to the region’s non-profit, consumer-owned utilities – accounts for about 59 percent of all U.S. federal hydro capacity and 29 percent of total U.S. national hydro capacity. It provides about 28 percent of the electric power generated in the Northwest, and its resources – primarily hydroelectric dams – make that power nearly carbon free.

“The State of Oregon state wants to step up carbon reduction goals, increase electric vehicle deployment, ensure grid reliability and have a stable economy – yet the state’s continued advocacy to breach productive hydro facilities and this legal action against flex spill directly conflict with those other policy objectives,” Simms said. “As well, Oregon’s legal action attempts to trigger a tremendous loss of carbon-free renewable hydropower at a time when the region struggles with record-breaking heat waves and forest fires fueled by climate change.”

BPA power customers shoulder the costs of spilling water that bypasses generators at the federal dams. The costs of so-called fish spills, including the cost of replacement power and reduced

power revenues, has averaged over \$300 million per year. BPA power customers made a strong commitment to invest heavily in salmon recovery and fish mitigation measures, paying \$14.9 billion in net fish and wildlife mitigation costs since 1999, the year that Willamette Valley Steelhead were listed under the Endangered Species Act.

“Given the costs associated with fish mitigation, which represent 24 percent of wholesale power costs, PPC members have a direct and compelling interest in ensuring that fish mitigation measures are scientifically sound, effective, and ultimately lead to species recovery. Oregon’s proposal for maximum spill throughout the spring and summer is neither. Precious water needed for fall fish migration and other important uses will be wasted,” Simms said.

As litigation rages on, it puts into doubt the prospect of any future regional agreements funded by BPA’s power customers. Specifically, PPC urges BPA to revisit the entire structure of the Columbia Basin Fish Accords and to develop a framework that restores need program accountability, transparency, and scientific metrics and review.

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About the Public Power Council

The Public Power Council, established in 1966, is an association that represents over 100 consumer-owned electric utilities in the Pacific Northwest. PPC’s mission is to preserve and protect the benefits of the Federal Columbia River Power System for consumer-owned utilities. PPC is a key forum to identify, discuss and build consensus around energy and utility issues. For more information, please visit us on the web at www.ppcpdx.org.

From: [Jim Smith](#)
To: [Luann Mata](#)
Cc: [Gwyn Miller](#)
Subject: FW: NWRP Press Statement: State of Oregon Motion for Injunctive Relief Shows Disregard for Consumer Electric Costs, Climate Concerns
Date: Monday, July 19, 2021 1:29:21 PM
Attachments: [image008.png](#)
[image009.png](#)
[image010.png](#)
[image011.png](#)
[image012.png](#)

Mgr Report please

From: Kurt Miller [mailto:kurt@nwrpartner.org]
Sent: Friday, July 16, 2021 4:47 PM
To: Kurt Miller
Cc: Austin Rohr
Subject: NWRP Press Statement: State of Oregon Motion for Injunctive Relief Shows Disregard for Consumer Electric Costs, Climate Concerns



PRESS STATEMENT

July 16, 2021
Vancouver, WA

State of Oregon's Motion for Court Injunction to Control Dam Operations Reflects Disjointed Energy Policies, Disregard for Consumer Energy Costs & Climate Concerns

Governor Brown's Actions Will Punish the Region's Electricity Customers

The following press statement was issued today by Kurt Miller, executive director, Northwest RiverPartners.

Key Quote: "It is hard to imagine that Governor Brown would be complicit in purposely raising electricity rates for Oregonians while increasing our carbon footprint and reducing our ability to endure climate events. Oregon's motion would more than double the region's risk of blackouts when electricity is most needed to preserve lives during extreme weather events. With the region emerging from devastating pandemic losses and experiencing historic heat, drought, wildfires, rampant homelessness, and significant loss of life, we ask Governor Brown and the court to consider the full ramifications of Oregon's ill-advised motion."

Background: Today, the State of Oregon filed a motion for injunctive relief, asking the U.S. District Court in Portland, Oregon to take control of Columbia River System Operations. The

motion calls for significantly increased spill at the federal hydroelectric dams on the lower Columbia and lower Snake rivers and lower reservoir levels on the lower Snake River.

If the court sides in Oregon's favor, electricity bills in the region could skyrocket because this action would waste 1300 average megawatts worth of electricity by spilling water over the top of dams rather than letting it generate energy by passing through turbines. One average megawatt is enough to power roughly 750 homes.

Just two weeks ago, utilities relied on the full capabilities of the hydropower system to supply the region with the energy it needed to keep air conditioning systems running during the record-breaking heat dome that covered the entire Northwest. It's currently estimated that nearly 800 people died as a result of that extreme heat. Reducing the capabilities of our hydropower system doesn't just bring higher costs, but potentially puts lives at risk.

Oregon's action, while claiming to help salmon, may do more harm than good. In 2019, the Intergovernmental Panel on Climate Change issued a report blaming significant declines in marine fish populations on warming, acidifying oceans caused by climate change--a trend it noted has been happening unabated for the last 50 years. Several other studies pertaining specifically to salmon support the IPCC's findings.

Given the implications of oceanic warming, asking the court to purposely waste large amounts of renewable energy is a step in the wrong direction for salmon. In the near-term, most of the replacement energy will come from existing fossil-fueled resources because new renewables can't be built quickly enough.

Furthermore, Brown's decision to litigate undermines current efforts to resolve the dams debate. Oregon is a co-organizer of the Columbia Basin Collaborative--an initiative designed to move the region beyond the courtroom as we seek common ground for salmon recovery solutions.

We have said that Oregon can't be a sincere partner or arbiter if it is litigating behind the scenes. As an organizer, Oregon needs to be above reproach so participants have the chance at a fair and unbiased outcome.

Roughly 30% of Oregon's energy needs are served by BPA-provided electricity.

About Northwest RiverPartners

Northwest RiverPartners (NWRP) is a not-for-profit, member-driven organization. We represent not-for-profit, community-owned utilities across Washington, Oregon, Idaho, Montana, Wyoming, and Nevada. We also proudly represent farmers, ports, and businesses across the region that support clean energy and low-carbon transportation.

NWRP is focused on raising awareness about how the Northwest's hydropower system betters communities and the natural environment, and we encourage science-based solutions that help hydropower and salmon coexist and thrive. <http://nwrivernpartners.org>

Thank you,

Kurt

KURT MILLER
EXECUTIVE DIRECTOR

P: 360-839-2525
9817 Northeast 54th Street, Suite 103
Vancouver, Washington 98662
nriverpartners.org



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