

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, February 09, 2016
2:00pm

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, Ron Ihrig-Chief Operating Officer, Kevin Ricks-Generation Asset & Special Projects Manager, Anita Thompson-Accounting Manager, Gwyn Miller-H.R. Manager, Mike DeMott-Interim Power Manager, Rob Rising-Line Superintendent, Jeff Thayer-Materials Manager, Amber Jackson-AP/Accounting Clerk, and Kathy Loveland-Executive Assistant.

GUESTS: Carl Mycoff with Mycoff & Associates; Dick Prentke & Jena MacLean with Perkins Coie; and Dan Short with Paine Hamblen.

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

MINUTES: MOTION was made by Commissioner Dan Gunkel to approve the January 26, 2016 meeting minutes as presented. Motion carried.

CLAIMS & PAYROLL: Presented by Amber Jackson. 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 February 09, 2016.

MOTION was made by Commissioner Dan Gunkel to approve the following as presented:

- Accounts Payable Voucher numbers 105747 through 105861 in the total amount of \$629,927.06 and Wires, ACH and EFT numbers 8800423 through 8800431 in the total amount of \$693,826.84 for the period ending February 09, 2016; and
- Payroll Warrant numbers 43260 through 43262 and ACH Direct Deposit Payroll transactions 9914766 through 9914845 in the total amount of \$165,609.90 for the payroll period ending January 24, 2016.

Motion carried.

PUBLIC COMMENTS: None.

COMMISSIONER DAN GUNKEL reported that Energy Northwest's Columbia Generating Station has set a new monthly generation record, which was relatively easy to obtain given the additional 28MW gained from improvements made to the station during the last refueling and maintenance outage in June 2015.

COMMISSIONER RANDY KNOWLES – No report at this time.

COMMISSIONER RAY MOSBRUCKER announced that he would not be able to attend the April 12, 2016 Board meeting. Commissioner Mosbrucker reported that following Jim Smith's research on broadband services, he contacted the customers in the Snowden area with that information. The customers were satisfied with his response, and he also suggested that they attend the open public meetings of the Klickitat County Economic Development Department as their strategic plan for the county will include discussions on broadband services.

GENERAL MANAGER – The complete report can be found at:

http://www.klickitatpud.com/topicalMenu/commissioners/GM_Reports.aspx

In addition to the written report, Mr. Smith announced that Kathy would be starting to arrange customer meetings in March, starting with the water / wastewater communities. Our annual reports to the irrigation customers will be held on February 11th in Bickleton and February 16th in Centerville.

The report was accepted as presented.

GENERATION ASSETS – Kevin Ricks presented an update on the McNary Hydro Fishway Project, noting that the damaged crane has been removed and a new crane is in place on top of the Dam. Given the picking distance, it is a 300 ton unit. The runner blade should be lifted out of the generation plant today. An insurance attorney is being hired by NWPUD to ensure we receive correct compensation on our insurance claims. Bob Guidinger and Don Jarrett will be attending a future Board meeting to present an update to our Board. The report was accepted as presented.

AGENDA ITEMS:

- A. **PRE-QUALIFICATION OF CONTRACTORS** – **MOTION** was made by Commissioner Randy Knowles to authorize the addition of the 109 contractors as listed on the attachment, to Klickitat PUD's Small and/or Large Works Rosters as indicated for the 2016 calendar year. These contractors are all renewals; we do not have any new contractors to add at this time. Motion carried.

- B. **CALL FOR BIDS: Pole Test & Treat** – **MOTION** was made by Commissioner Randy Knowles to authorize staff to advertise a call for bids for pole test and treat, with a bid opening date and time of March 3, 2016 at 2:00pm. Motion carried.

- C. **CALL FOR BIDS: Tree Trimming** – **MOTION** was made by Commissioner Dan Gunkel to authorize staff to advertise a call for bids for tree trimming and right of way clearing 2016, with a bid opening date and time of March 3, 2016 at 2:00pm. This includes the 69 transmission line from Bald Mountain to Husum, and release 1 from Gilmer Substation to Trout Lake. Motion carried.

- D. **STAFF RECRUITMENT** – Carl Mycoff was present to offer information to the Board on current challenges that the District and the entire industry is facing with senior management recruitment efforts. The District had been trying since early in 2015 to recruit senior engineering and operational management staff and have not been successful.

Carl explained that there are currently 78 million baby boomers and they make up 60% of our utility industry. Generation Xer's total about 50 million. That is a significant decrease in the work force as the baby boomers retire. In addition, college graduates in the power engineering field have dropped nearly 75% since the 1980's. Training in the trades and for operation related management staff is experiencing the same situation. This means that we are trying to engineer and operate an increasingly complex electric system while the pool of qualified, trained and experienced staff is dwindling. Specifically in the Northwest, there have been significant retirements of General Managers. As an example, almost 30% of the PPC executive committee, which is made up primarily of General Managers, retired in 2015. Many of the experienced technical staff has moved into these GM positions and it has put further pressure on compensation packages to recruit and retain staff. Mr. Mycoff stated that for an engineering or operations manager, we can expect to pay \$150,000 a year and that may not get the experience we are looking for. The market for a Chief Operating Officer is \$180,000 to \$190,000. He stated if we aren't in that salary range, there is a very good chance that after developing any staff we have or staff that we recruit, we could then lose them given the market conditions.

He also gave a brief overview to the Board as to what a contract would entail should the District move forward with his recruitment services. Board action was not required, as this would be an executive decision by the General Manager.

- E. **EXECUTIVE SESSION: Potential Litigation** – President Mosbrucker called for an Executive Session at 3:45pm per RCW42.30.110 for the purpose of discussing potential litigation in regard to the Mile Marker 28 fire, noting that the session would last for 60 minutes. Lawyers present: Dan Short w/Paine Hamblen; Dick Prentke & Jena MacLean w/Perkins Coie. At 4:45pm President Mosbrucker announced that the Executive Session would be extended another 60 minutes.

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:

