

Public Utility District No. 1 of Klickitat County
Board of Commissioners Meeting
Tuesday, October 10, 2017

CALL TO ORDER: President Knowles called the meeting to order at 11:00 am as advertised at the chambers of the Klickitat County Board of County Commissioners. Jim Smith provided the County Commissioners with updates on the H.W. Hill Landfill Gas Project, Renewable Natural Gas project, John Day Pump Storage project, Wishram and Lyle Well updates, and County Water Rights. At 11:58, the meeting was recessed until 1:00 at the Klickitat PUD office. At 1:00 pm, President Knowles reconvened the meeting and went into Executive Session for 60 minutes in accordance with **RCW 42.30.110**.

EXECUTIVE SESSION: Personnel Matters: President Randy Knowles called the executive session to order at 1:00pm for one hour *to evaluate complaints or charges brought against a public officer or employee pursuant to R.C.W. 42.30.110(1)(f). Jennifer Bouman- Steagall was present for the Executive Session.*

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:

(f) To evaluate complaints or charges brought against a public officer or employee.

The Executive Session concluded at 1:50pm and the meeting was recessed until 2:00.

President Knowles opened the regular meeting at 2:00 pm. No action was taken from the Executive Session.

PRESENT: Commissioners Randy L. Knowles-President and Douglas B. Miller-Secretary.

STAFF PRESENT: Jim Smith-General Manager, Kevin Ricks-Generation Assets Manager, Gwyn Miller-Director of HR & Business Services, Mike DeMott- Power Manager, Cynthia Bruce-Accounts Payable Clerk, Mark Pritchard-Operations Manager, Ron Schultz-Chief Engineer, and Luann Mata-Executive Assistant.

GUESTS:

MINUTES: **MOTION** was made by Commissioner Doug Miller to approve the September 26, 2017 meeting minutes. Motion carried.

CLAIMS & PAYROLL: Presented by 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 the 12th day of September, 2017.

MOTION was made by Commissioner Doug Miller to approve accounts payable vouchers and payroll in the amounts:

- Accounts Payable Voucher numbers 110859 through 111091 in the total amount of \$1,720,408.46 and Wires, ACH and EFT numbers 8800793 through 8800801 in the total amount of \$5,260,499.82 for the period ending October 10, 2017; and
- Payroll Warrant number 43344 and ACH Direct Deposit Payroll transactions 9918310 through 9918389 in the total amount of \$175,315.11 for the payroll period ending October 01, 2017.

Motion carried.

PUBLIC COMMENTS: None

AGENDA ITEMS

- A. POLICY 9-“Financial Plan”** - After discussion, **MOTION** was made by Commissioner Miller to approve revisions to Policy Bulletin No. 9 “Financial Plan revision” as recommended by staff. Motion carried.

- B. CUSTOMER SERVICE SURVEY DRAWING** - Customer Service received 237 surveys, this number is down by half from the survey completed in 2015. Survey results are still being compiled and will be provided to the board at a later date. There were six account numbers selected to receive fifty dollar credits on their accounts for participation in the survey. Iva Wesley, Jimmy Jimenez, David Bischoff, Jackson Start, Penne Winston, and Heather Shuck were the recipients drawn. Another discussion was consideration of launching a campaign before winter to encourage customers to update their contact information and follow us on Facebook that would result in some sort of award.
- C. PREQUALIFICATION OF CONTRACTORS** - **MOTION** was made by Commissioner Miller to approve Northwest Drilling and Boring, Inc. of Molalla, Oregon and authorize staff to add them to the District's Small Works Roster. Motion carried.

REPORTS:

Generation Assets – Kevin presented the Generation Asset report and he discussed the guide vane actuator failures on both Combustion Turbines 1 and 2 that occurred within hours of each other. The inspection this past summer concluded that the turbines are in great shape, however the ancillary equipment is beginning to age and Kevin believes that any changes to load could result in equipment reliability issues. He believes that we will be okay running the CTs through mid-2018. He commended Solar for sending out the replacement equipment so quickly that we were only down for less than a day. The Air Operating Permit for the RNG project was issued Sept. 28th. It restricts simultaneous use of the LFG plant and RNG plant, however it does not preclude us from using both plants during commissioning. Republic is over half way through with their 2017 construction projects and we should see some fuel supply increase as a result of that work. Kevin discussed a near miss accident when the windshield of the Kabota exploded for no apparent reason. After additional discussions Kobota agreed to replace the windshield and agreed to add the protective film so if it does break again, it won't shatter this time. Tyler Ross will travel to Texas next week to conduct a tour of the BCKK and Morrow plants to provide an independent evaluation of progress and schedules. We have around six bidders interested in submitting a bid on the Pipeline construction. Kevin will be in Olympia next week to participate in a Utilities Transportation Commission (UTC) design guideline discussion. It is our determination that the UTC jurisdiction ends where there is no public exposure to property and we are planning a fence and a valve at that location for a clear demarcation. The Generation Asset report was accepted as presented.

Power Managemet – Mike DeMott presented the Power Management report and provided additional information on the net metering and conservation programs. The electric forward market outlook appears pretty flat. Natural gas storage continues to grow. Since moving back to load following we have lost some of our access to some market information from TEA, however through BP we have access to all of the same information. White Creek (WC) revenue is down year to date. We elected not to take the Tier 2 output from WC next year as there is a significant costs associated with doing so. Washington State University (WSU) provided a webinar to provide information regarding the net metering requirements; however it was not an effective webinar. The requirements they did provide per the Department of Revenue and WSU was that the legacy customers (the one's whose contracts expire in 2020) will be prorated regardless of what individual program determinations have been. With all of the program changes our Net Metering policies and procedures are being reviewed and updated. That means our existing net metered customers will remain prorated through their contract term. The Power Management report was accepted as presented.

COMMISSIONER DOUG MILLER – Commissioner Miller reported on an article in the Yakima Herald Republic regarding dwindling fish populations. He also brought forth his concern of limited cell phone reception in the Bickleton area, he requested that Jim look into possible options to assist the county and area consumers to facilitate any possible options.

COMMISSIONER RANDY KNOWLES – Commissioner Knowles had nothing to report.

COMMISSIONER DAN GUNKEL – Commissioner Gunkel was absent from this meeting.

GENERAL MANAGER – The complete report can be found at:
http://www.klickitatpud.com/topicalMenu/commissioners/GM_Reports.aspx
There was no additional information discussed at this meeting.

ADJOURNMENT – There being no further business, the meeting adjourned at 3:13pm.

 /S/
Randy L. Knowles, President

 Absent
Dan G. Gunkel, Vice President

 /S/
Douglas B. Miller, Secretary
Date Approved: 10/24/2017

 /s/
Luann Mata, Executive Assistant