

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

Tuesday, September 12, 2017

AGENDA

Time: **KPUD Commission Regular Meeting Start Time – 2:00pm**
Location: 1313 S. Columbus Ave. – Goldendale, WA

- **Pledge of Allegiance**
- Approval of Minutes – 8/22/2017 Meeting
- Approval of Claims / Vouchers for period ending 9/12/2017 (*Sharon, Cynthia*)
- Approval of Payroll for period ending 8/20/2017 (*Sharon, Cynthia*)

➤ **PUBLIC COMMENT PERIOD**

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

A. PREQUALIFICATION OF CONTRACTORS- [*Jeff*]

- **P.O.W. Contracting-Pasco WA**
- **Eagle-eye Aerial Solutions, LLC- Bellingham WA**

B. BID AWARD- Miscellaneous Poles[*Jeff*]

C. PUBLIC GENERATING POOL- Carbon Study Results [*Jim*]

D. RIMROCK WELL NO. 1- Resolution1747-Surplus of Rimrock Well No. 1 [*Jim*]

E. REVISION OF POLICY 4C- HOURS OF WORK [*Gwyn*]

REPORTS – 10 min. each:

- Power Management- Monthly Report
- Generation Assets- Monthly Report
- Commissioners' Reports
- Manager's Bi-Monthly Report (*Jim Smith*) - report attached

GUESTS:

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ADJOURNMENT

FOR THE GOOD OF THE ORDER:

9/26– KPUD Board Meeting, 2:00pm



Public Utility District No. 1 of Klickitat County

79 Years of Service * 1938-2017

GENERAL MANAGER'S REPORT TO THE BOARD For the **September 12, 2017** Meeting

AGENDA ITEMS

- A. PREQUALIFICATION OF CONTRACTORS: Staff is requesting the approval of P.O.W. Contracting and Eagle-eye Aerial Solutions. They have both met the PUD's qualifications and we recommend their approval.
- B. BID AWARD- Miscellaneous Poles: Staff is recommending that we award the Miscellaneous Pole bid to The Oeser Company. They are the lowest qualified bidder.
- C. PUBLIC GENERATING POOL (PGP) Carbon Study Results: PGP contracted with Arnie Olsen of E3 to complete study work on the most effective ways to reduce carbon footprint in our industry. The work was started by Chelan PUD and PGP has been advancing it. It has some very good information that I think would be good for us to discuss as it relates to future electricity markets, RNG and our long term strategies. I will go through some of the presentation that Arnie did and pick out the relevant parts for discussion.
- D. RIMROCK WELL NO. 1 - Resolution 1747: Staff is requesting that you approve Resolution 1747, which would surplus Well #1 of the Rimrock water system as we have discussed in previous meetings.
- E. POLICY 4-C – HOURS OF WORK: as requested by Commissioners last meeting, we have crafted language regarding direct deposit requirements at the District. We have added proposed language to Policy 4-C as redline for your review.

NON-AGENDA ITEMS

- 1. RNG / Republic Services Easement: I received word that the easement has been approved, but I have not received the document yet. I will also be meeting with Don in 2 weeks to complete the details & revisions to the Gas Optimization Agreement discussions.

2. **Department of Natural Resources (DNR) and Economic Development:** I was contacted by Dave Warren of the DNR regarding work they are doing to lease some of their lands coupled with water rights to derive value from DNR properties. In this case, they are looking for financial help for a project just outside of Patterson. They have 3000 acres of land and roughly 12,000 ac-ft of water rights and the infrastructure design, but they have no borrowing authority. Dave contacted us as you all have been very proactive in supporting local development. I told him that as this particular project is outside Klickitat County, our doing any borrowing would be a stretch. However, if there are projects like this inside Klickitat County, or if their water rights could be used to partner with other development in Klickitat County, and if there were the right levels of value and security provided to the PUD, I would be willing to advance a proposal to you.
3. **Procedure 19-G Meeting room and equipment:** Given your desire that our meeting room be available for public benefit of the community, I want to ensure we are managing the room and resources consistent with board vision. We have seen an increase in kids' parties held in the room and the current deposit is not sufficient for the beating the facilities are taking. The instances of abuse continue to add up, however this is one of few public meeting rooms available in our community so we don't want to prohibit such festivities. As a result we are planning on revising the fees.

The Daily Rental fee of \$50 is unchanged, but the Refundable Deposit is being increased from \$50 to \$100. The rental fee will need to be reviewed in the future to determine if it's covering reasonable wear and tear costs for room and chairs as well as cleaning costs. We will continue to have the ability to waive these fees for Public Agencies. In addition, we are clarifying that Wi-Fi and overhead equipment may be provided for Public Agencies. In all cases, if the surveillance system alarm is set off, deposit will be ineligible for refund.

Please let me know if you have issues with these changes.

4. **Senior Discount Review:** The annual review of senior discounts is complete, and the actual discounts extended to customers were significantly below the target of \$50K. Low-income and elderly discounts between December 2016 and May 2017 totaled ~\$21,600. Last year's changes to our triggers increased the number of eligible seniors by six. Customer Service is working with Senior Services (WS and GD) to obtain customer preferences prior to proposing changes (next meeting). The question being asked of senior services is: If you could make changes to the Senior Discount program, what would be your preference?
 - a. Change the discount percentages,
 - b. Change the income requirements,
 - c. Offer discounts all year,
 - d. Provide additional discounts based on a tiered household scale, i.e. Household of 2 has higher income limits for each percentage.

Based on the under-run in last year's senior discounts, the option of offering a year-round discount and maintaining the cap of \$50K appears doable within the current budgeted numbers. If you have a preference, please let us know and we'll "crunch the numbers".

5. **Water / Waste Water Standby Fee Issues:** Brandy and I talked with John Kounts and Bill Clarke from the Washington PUD Association about ideas for ensuring that accumulating standby fees are visible during real estate transactions when these charges are being applied to real property. They re-iterated the fact that PUDs cannot lien properties and given resistance they have seen over the years to PUD obtaining this authority, an option would be for us to file a "notice" against a property that falls into this situation. After looking through alternatives, we intend on proceeding with this type of notice. Our current policy does allow this step, so this is information that we are proceeding.
6. **Klickitat School Irrigation:** Brandon Walters and I met with the Klickitat school superintendent to discuss water supply and service for their irrigation needs. They will continue to irrigate through the remainder of this season. In October when we can supply the system needs with Well #3, we will be pulling the pump and conducting tests on Well #2 to determine its condition. We are not planning on spending any funds on trying to rehabilitate Well #1 given our experience with the same process in Wishram. In the meantime, the school will be looking at their irrigation system to try and reduce the amount of water used and we will look at alternatives to serve them. Based on this work and the well condition, we will meet again in early November to discuss long term solutions.
7. **John Day Pumped Storage Project:** Brian Skeahan and I met to discuss National Grid and Rye Energy's plans to move forward and flesh out a proposal for you for discussion. I expect to have that draft for you next meeting. We also had a follow-up call with BPA regarding the interconnection feasibility study. You may recall that the study was funded by National Grid and Rye Energy, and that BPA provided interconnection costs to feed into Knight Road, in spite of our specific requests to have the connection at John Day. They are working on costs and implications of interconnecting the project into John Day as we requested.