

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE COLUMBIA BASIN HYDROPOWER
EPHRATA, WASHINGTON JANUARY 22, 2019

Acting Chairperson Culbertson called the regular meeting of the Columbia Basin Hydropower to order at 9:30 AM.

CBHP Directors

SCBID – J.J. Danz (Alt)
ECBID – Duaine Anderson
SCBID - Richard Conrad
QCBID – Ko Weyns (Alt)
QCBID – Phil Stadelman
ECBID – Reid Baker

Other CBHP Directors Attending

ECBID – Bernard Erickson (Alt)

Others Attending

Darvin Fales, QCBID
Michael Hill, Tacoma Power
Sara Millard, USBR
Amy Rodman, USBR
Dave Solem, SCBID
Others by telephone
Robin Cross, SCL
Hina Arai, SCL

Staff

Tim Culbertson, Secretary-Manager
Anna Franz, Attorney
Jacob Taylor, Treasurer
Judy Runge, Administrative Assistant
Betty Craig, Technical Information Administrator
Larry Thomas, Assistant Manager/Hydro Supervisor
Bob Stoaks, Engineer
Stacey Bresee, Data Management Technician
Derek Wolf, Engineer
Jay Wilson, Hydro Craftworker

INTRODUCTION

Acting Chairperson Culbertson introduced Reid Baker who is a new Director and Board member representing ECBID and Jay Wilson, CBHP hydro craftworker who is attending the meeting today.

CONSIDERATION OF MEETING MINUTES

Phil Stadelman moved that the minutes of the December 18, 2018 meeting be approved as distributed. Richard Conrad seconded the motion. Motion passed.

2019 CBHP BOARD

District Appointees to Board

The respective District appointees to the Columbia Basin Hydropower Board are as follows:

EAST DISTRICT	QUINCY DISTRICT	SOUTH DISTRICT
Reid Baker	Mike LaPlant	Bryan Alford
Duaine Anderson	Phil Stadelman	Richard Conrad
Dennis Mickelsen (Alt)	John Rylaarsdam (Alt)	J.J. Danz (Alt)
Bernard Erickson (Alt)	Ko Weyns (Alt)	Charles Lyall (Alt)

Issuance of Oaths of Office to Board Members

An Oath of Office was issued to each appointed Board member and alternate in attendance.

ORGANIZATION OF BOARD

Election of Officers

Acting Chairperson Culbertson conducted the election of President and Vice President. Richard Conrad nominated Bryan Alford for President and Mike LaPlant for Vice President moved that nominations cease and that the Secretary be instructed to cast a unanimous ballot for Bryan Alford for President and Mike LaPlant for Vice President. Phil Stadelman seconded the motion. Motion passed.

Appointment of Officers

Secretary-Manager

Treasurer

Richard Conrad moved to appoint Tim Culbertson as Secretary-Manager and Jacob Taylor as Treasurer. Duaine Anderson seconded the motion. Motion passed.

Issuance of Oaths of Office to Officers

An Oath of Office was issued to each Officer.

2019 Committee Appointments

President Alford appointed the following members to serve on respective committees for 2019.

Budget and Finance

The appointments to the 2019 Budget and Finance Committee are as follows:

Reid Baker, Phil Stadelman, Bryan Alford, Michael Hill, Hina Arai, Tim Culbertson, Jacob Taylor

Personnel

The 2019 Personnel Committee appointments are as follows:

Duaine Anderson, Mike LaPlant, Richard Conrad, Michael Hill, Hina Arai, Tim Culbertson

J.J. Danz moved to accept committee members. Duaine Anderson seconded the motion. Motion passed.

194 ACKNOWLEDGEMENT, REVIEW AND/OR APPROPRIATE CONSIDERATION OF THE FOLLOWING:

Resolution 2019-01

President Alford presented for consideration by Board members the following entitled resolution: "Resolution No. 2019-01 of the Columbia Basin Hydropower Adopting 2019 Budget for Project Reserved Works Activities".

Duaine Anderson moved to adopt Resolution 2019-01 subject to the approval of the East, Quincy and South Columbia Basin irrigation districts and subject to allocation of costs in accordance with the Reserved Works formula percentages. Phil Stadelman seconded the motion. Motion passed. *A copy of said resolution is attached hereto and incorporated by reference.*

Resolution 2019-02

President Alford presented for consideration by Board members the following entitled resolution: "Resolution 2019-02 of Columbia Basin Hydropower Adopting 2019 Budget for Quincy Chute and PEC Headworks Power Plants".

Richard Conrad moved to adopt Resolution 2019-02 subject to the approval of the East, Quincy and South Columbia Basin irrigation districts and subject to allocation of costs in accordance with the Reserved Works Formula percentages. Phil Stadelman seconded the motion. Motion passed. *A copy of said resolution is attached hereto and incorporated by reference.*

Doble Client Service and Equipment Agreement Extension

The Doble Extension Agreement discussion was placed on hold.

Travel Authorizations:

Richard Conrad moved to authorize attendance and payment of reasonable expenses for travel, lodging and meals for the following:

- (1) 86th International Conference of Doble Clients, April 7-12, 2019, Boston, Massachusetts, Registration none – Bob Stoaks
- (2) NWPPA Project Planning, Organization, and Execution, February 20&21, 2019, Portland, Oregon, Registration \$930 – Stacey Bresee
- (3) Doble Laboratory Seminar, March 7, 2019, Kennewick, Washington, Registration \$445 – Brian Skidmore
- (4) SEL - Columbia River Interactive, April 2-4, 2019, Vancouver, Washington, Registration \$350 – Bob Stoaks
- (5) National Seminars Training, Interpersonal Communication for Professionals, February 7, 2019, Wenatchee, Washington, Registration \$179 – Derek Wolf

Phil Stadelman seconded the motion. Motion passed.

TREASURER'S REPORT**Financial Reports**

The December 31, 2018 Balance Sheet (unaudited) , All Power Plants Income Statement (unaudited) and 4th Quarter O&M Deposits were included in the Board packets for review.

Approval of Voucher

The Current Expense Voucher (O&M) was presented at the meeting for consideration. Check numbering is as follows:

Current Expense Voucher (O&M) - \$618,784.91
Check Numbers: 17777-17877

On motion by Ko Weyns, seconded by Phil Stadelman, which motion passed unanimously, the Current Expense Voucher (O&M) dated January 22, 2019 in the amount of \$618,784.91 was approved.

State Auditor – Accountability Audit Report for period January 1, 2016 through December 31, 2017

CBHP received the Accountability Audit Report for period January 1, 2016 through December 31, 2017 from the Office of the Washington State Auditor and it was distributed in the Board packets.

STAFF AND OTHER REPORTS

The following written activity reports, attached and incorporated by reference, were made available for review and comments:

Field O&M Activities (Larry Thomas)
Engineering (Bob Stoaks)
Engineering (Derek Wolf)
Technical Information (Betty Craig)

OTHER POWER BUSINESS**Project Development**

Manager Culbertson delayed updates and reports on project development due to the special meeting scheduled for January 28 at 1:00 PM at the ECBID offices.

Correspondingly, Treasurer Taylor will also provide the Project Development Expense report at the same meeting.

Columbia River Treaty

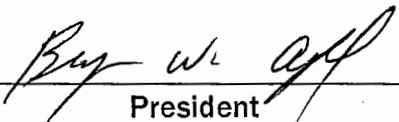
There is nothing of significance to report on the CRT due to the federal government shutdown.

USBR – No report
Cities - No report
Districts – No report

DATE OF NEXT BOARD MEETING - FEBRUARY 26, 2019

ADJOURNMENT

There being no further business to come before the Acting Chairperson Culbertson adjourned the meeting at 10:00 AM.



President



Secretary

**RESOLUTION NO. 2019-01
OF COLUMBIA BASIN HYDROPOWER
ADOPTING 2019 BUDGET FOR PROJECT RESERVED WORKS ACTIVITIES**

WHEREAS, the East, Quincy and South Columbia Basin irrigation districts are jointly responsible for the payment of certain of the costs of operating and maintaining the Project Reserved Works, all as set forth in the Districts' respective Repayment Contracts with the United States of America dated December 18, 1968; and

WHEREAS, by Agreement executed by the said Districts and Columbia Basin Hydropower (CBHP), the said Districts transferred to CBHP the responsibility of performing certain functions of the Districts related to the operation and maintenance of the Project Reserved Works; and


WHEREAS, it is advisable for CBHP to adopt a budget setting forth the estimated costs pertaining to the functions of the Project Reserved Works to be performed by CBHP on behalf of the East, South and Quincy-Columbia Basin irrigation districts for presentation to the said Districts for their review and approval;

NOW, THEREFORE, BE IT HEREBY RESOLVED as follows:

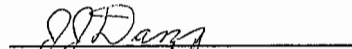
That the proposed 2019 budget estimates for the Project Reserved Works Activities be performed by CBHP as set forth in the attached proposed budget, which is hereby incorporated by reference, is hereby adopted subject to the approval of the Board of Directors of the East, Quincy and South Columbia Basin irrigation districts.

ADOPTED this 22nd day of January 2019.

BOARD OF DIRECTORS




Director



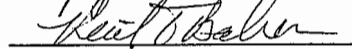
Director



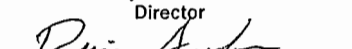
Director



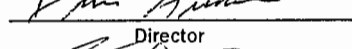
Director



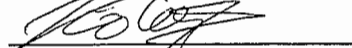
Director



Director



Director



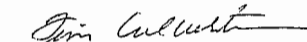
Director



Director



ATTEST:



Secretary

**CBHP 2019 BUDGET FOR PROJECT
RESERVED WORKS ACTIVITIES**

**WSWRA, NWRA, KEYS TEAM, DIVERSION RATE
AND OTHER PROJECT ACTIVITIES**

I.	ADMIN. & STAFF 95 HRS. @ \$150/HR = (Hourly rate Includes payroll expense)		\$ 14,250.00
II.	MISC. TRAVEL, LODGING AND REGISTRATION EXPENSES		
	A. Mileage	\$ 550.00	
	B. WSWRA Annual Convention	2,500.00	
	C. NWRA Federal Seminar, Summer Seminar and Annual Convention	8,500.00	
	D. Tri-State, Portland, Boise, ID Travel	3,000.00	
	E. Misc./Audit Costs	<u>3,200.00</u>	
			\$ 17,750.00
	Total Misc. Expenses		
III.	MAIN CANAL HEADWORKS - MISC. ELECTRICAL		\$ 1,000.00
	TOTAL PROJECT RESERVED WORK ACTIVITIES		\$ 33,000.00
SPECIFIC ITEMS ARE SUBJECT TO CBHP BOARD APPROVAL.			

**PROPOSED CONTRIBUTIONS BY THE DISTRICTS IN ACCORDANCE WITH THE
RESERVED WORKS FORMULA. (2017 PERCENTAGES FOR ALLOCATION EXAMPLE)**

EAST DISTRICT	(0.293421)	\$ 9,682.89
QUINCY DISTRICT	(0.416619)	13,748.43
SOUTH DISTRICT	(0.289960)	9,568.68
		\$33,000.00

Expense Review:

2013 \$38,971.90
2014 \$41,225.19
2015 \$36,792.06
2016 \$25,953.02
2017 \$16,326.00
2018 \$23,798.55

**RESOLUTION NO. 2019-02
OF COLUMBIA BASIN HYDROPOWER
ADOPTING 2018 BUDGET FOR QUINCY CHUTE
AND P.E.C. HEADWORKS POWER PLANTS**

WHEREAS, the Quincy Chute and P.E.C. Headworks Power Plants are owned by the East, Quincy and South Columbia Basin irrigation districts; and

WHEREAS, by Agreement dated the 10th day of December, 1987, the said three Districts transferred to Columbia Basin Hydropower (CBHP) the responsibility of administering certain functions of the Districts with respect to their ownership of the said plants; and

WHEREAS, it is necessary for CBHP to adopt a budget representing the costs pertaining to administering said power plants incurred by CBHP during the year 2019 for presentation to the East, Quincy and South Columbia Basin irrigation districts for their review and approval;

NOW, THEREFORE, BE IT HEREBY RESOLVED as follows:

That the proposed 2019 Budget for the Quincy Chute and P.E.C. Headworks Power Plants as set forth on the attached sheet entitled "CBHP 2019 Budget for Quincy Chute and P.E.C. Headworks Power Plants", which is hereby incorporated by reference as if fully set forth herein, is hereby adopted, subject to the approval of the East, Quincy and South Columbia Basin irrigation districts.

ADOPTED this 22nd day of January, 2019.

BOARD OF DIRECTORS

[Signature]
Director

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Director

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Director

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Director

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Director

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Director



ATTEST:
[Signature]
Secretary

**CBHP 2019 BUDGET FOR QUINCY CHUTE
AND PEC HEADWORKS POWER PLANTS**

QUINCY CHUTE		
I.	ADMIN. & STAFF 2.5 HRS/MO. @ \$125/HR X 12 MOS.	\$ 3 750.00
II.	LEGAL	500.00
III.	TRAVEL AND MISCELLANEOUS	450.00
QUINCY CHUTE ESTIMATE -		\$ 4,700.00
PEC HEADWORKS		
I.	ADMIN. & STAFF 1 HR/MO. @ \$100/HR X 12 MOS.	\$ 1,200.00
II.	LEGAL	-0-
III.	TRAVEL AND MISCELLANEOUS	100.00
PEC HEADWORKS ESTIMATE -		\$ 2,300.00

TOTAL CBHP 2019 BUDGET FOR QUINCY CHUTE AND PEC HEADWORKS	\$ 6,000.00
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PROPOSED CONTRIBUTIONS BY THE DISTRICTS IN ACCORDANCE WITH THE RESERVED WORKS FORMULA. (2017 PERCENTAGES FOR ALLOCATION EXAMPLE)		
EAST DISTRICT	(0.293421)	\$ 1,760.53
QUINCY DISTRICT	(0.416619)	2,499.71
SOUTH DISTRICT	(0.289960)	1,739.76
		\$ 6,000.00

Expense Review:
2013 \$ 1,606.61
2014 \$ 5,429.51
2015 \$ 3,322.21
2016 \$ 536.09
2017 \$15,153.25
2018 \$21,075.00

COLUMBIA BASIN HYDROPOWER
Activity Report

For period December 5, 2018 to January 11, 2019
Reported by: Larry Thomas Function: Field O&M Activities

Russell D. Smith Power Plant

- . Maintenance activities included continued upgrade of the existing control system.

P.E.C. 66.0 Power Plant

- . Repair of the leaky turbine wicket gates was completed.

E.B.C. 4.6 Power Plant

- . Maintenance activities included standby generator and plant drainage system inspection and service.

Main Canal Power Plant

- . Improving the project communication systems continued.
- . Repair of the standby power system was completed.
- . Electrical testing of the generator was completed.
- . Governor and turbine oil purification was started.

Summer Falls Power Plant

- . The penstock discharge valve cylinders rehabilitation was completed and reinstallation was started.

Columbia Basin Hydropower

Activity Report

For Period: December 6, 2018 through January 10, 2018

Reported by: Robert Stoaks P.E. Function: Engineering

- 1) SCADA/PLC/Relay replacement for all plants: H2E has completed relay and control drawings, and programming. Fabricated panels delivered. Installation in progress. Coordinating communication and outage with USBR.
- 2) . Performing study to increase efficiency and output of Main Canal and Summer Falls. Gathering information from vendors on efficiency upgrades and costs. Submitted information to Voith and GE. GE supplied turbine efficiency curves. With the increased flows for Odessa revenue should increase 6% at Summer Falls, and with the upgrade revenue is projected to increase another 7% at Summer Falls for an overall increase of 13.5%.
- 3) Summer Fall's transformer sudden pressure relays failed function test, replacements have been received.
- 4) Main Canal battery charger failed. Researching replacement options.
- 5) Summer Falls Oil Circuit Breaker control valve kits have been ordered to be installed this offseason.
- 6) Main Canal: Investigating a misoperation of the transformer differential relay (87T) during a fault on line near the Stratford substation. The zone 2 distance relay operated correctly, clearing the fault. Reported misoperation to WECC. Next step is to inspect current transformers for indication of cross coupling.
- 7) Working with Bob K. on microwave communication paths to connect SCADA system. Investigating other possible communication options.
- 8) Closeout of multiple off-season projects: Calisto installation, 4.6 GSU repair, Spare PT/CT, SF MU Breaker, RDS exciter upgrade, and RDS BU Generator replacement.
- 9) Design of emergency diesel generator transfer switches for Main Canal. Transfer switches have been installed.
- 10) Design of governor oil heaters for Main Canal and Summer Falls. Oil heaters have been delivered.
- 11) Design of line disconnect for PEC 66.0.
- 12) Reviewing loadability requirements of PRC-025 to implement at Main Canal and Summer Falls..

Columbia Basin Hydropower

Activities Report for the period of Dec 10th, 2018, through Jan 11th, 2018.

Derek Wolf, PE Mechanical Engineer

General:

- Reviewing submittals received in response to the RFP for small hydro development issued late 2018.
- Coordinating off-season mechanical maintenance activities at all plants.
- Received lab results from the "Good Faith Survey" completed for asbestos identification in the 5 CBHP maintained powerhouses. Researched regulatory requirements and proceeding with mitigation procedures on all identified areas.
- Upgrades to fire extinguisher maintenance program being performed.
- Atmospheric detector cost/upgrade analysis performed.

Main Canal Power Plant:

- Reviewing drawing submittals from Halme Builders for the new storage building to be constructed in March.
- Annual oil purification underway.
- Fish barrier net sent to Christiansen NetWorks for repair. Looking into possible net alternatives with the Department of Fish and Wildlife.

Summer Falls Power Plant:

- Howell Bunger valve cylinder rehabilitation still in progress. Seals on the hydraulic cylinders have been repaired and the air bleed valves have been overhauled. Cylinders currently being reinstalled.
- Design for the station service disconnect windows completed.

RDS Power Plant:

- Began contract preparation for the governor and hydraulic system upgrade scheduled for next off-season.

PEC 66.0 Power Plant:

- Wicket gate repair has been completed and the unit has been reassembled.
- Modifications being made to the speed switch mounting structure to allow for belt tightening without shutting down the plant.
- Structural calculations complete for a redesign of the intake gate hoist structure to allow for automatic closing of the gate upon unit shutdown.
- Ordered new brakes for the generator to replace the asbestos-containing pads that have been removed and disposed of.

COLUMBIA BASIN HYDROPOWER

Activity Report

For Period: December 9, 2018 through January 12, 2018Reported by: Betty Craig Function: Technical Information Dept.CMMS:

- CASCADE data entry is up to date.

NERC/WECC COMPLIANCE:

- Reviewed NERC & WECC websites for any upcoming deadlines or revisions to existing standards.
- Annual review of compliance documents and evidence has been completed.
- FAC-003 Vegetation Management Q3 has been completed via WebCDMS.
- Received final Inherent Risk Assessment (IRA) and Compliance Oversight Plan (COP) from WECC.
- Completed annual NERC refresher training for all employees.
- Edited FAC-001 Facility Connection document to add new requirement for 2019.

NETWORKING & COMPUTERS:

- Routine security, maintenance, and verification of nightly backups.
- Assisted users with miscellaneous hardware and software issues.
- Fixed email issues on two iPhones.
- Received two new tablets and began prep for field deployment.

HYDRO PROJECT DEVELOPMENT:

- None

RECORDS MANAGEMENT:

- None

OTHER:

- Website updates.
- Attended O&M safety meeting @ Main Canal.
- Completed quarterly office inspection.