

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE COLUMBIA BASIN HYDROPOWER
EPHRATA, WASHINGTON JUNE 25, 2019

Vice President LaPlant called the regular meeting of the Columbia Basin Hydropower to order at 9:30 AM.

CBHP Directors

SCBID – J.J. Danz (Alt)
ECBID – Reid Baker
SCBID – Richard Conrad
QCBID – Mike LaPlant
QCBID – Phil Stadelman
ECBID – Dennis Mickelsen (Alt)

Other CBHP Directors Attending

SCBID – Charles Lyall (Alt)
QCBID – John Rylaarsdam (Alt)
QCBID – Ko Weyns (Alt)
ECBID – Bernard Erickson

Others Attending

Darvin Fales, QCBID
Michael Hill, TP
Craig Simpson, ECBID
Amy Rodman, USBR
Dave Solem, SCBID
John O'Callaghan, SCBID
Roger Sonnichsen, QCBID
Johnathan Smith Bostonia Partners
Larry Stone, Bostonia Partners
Maurice Balcom, SCBID
Norman Semanko, QCBID
Hina Arai, SCL
Jeff Deason, Kleinschmidt
Kelly Larimer, Kleinschmidt
Lloyd Reed, Kleinschmidt
Fatima Oswald, Kleinschmidt

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
Robert Stoaks, Engineer
Stacey Bresee, Data Management Technician
Derek Wolf, Engineer

RECOMMENDATION FROM THE POWER STEERING ADVISORY COMMITTEE

There were no recommendations from the Power Steering Advisory Committee.

CONSIDERATION OF MEETING MINUTES

Phil Stadelman moved that the minutes of the May 28, 2019 meeting be approved as distributed. Richard Conrad seconded the motion. Motion passed.

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

Power Production Reports – May 2019

- (1) Accumulated Kilowatt Hours by Years for All Plants
- (2) Energy and Incentive Report

Accumulated Kilowatt Hours and Energy and Incentive reports were distributed.
Total May generation was 79.44% of 2014-2018 average.

Travel Authorization:

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

2019 Washington Finance Officers Association (WFOA) 64th Annual Conference
September 17-20, 2019, Yakima, WA, Registration \$350 – Jacob Taylor

J.J. Danz seconded the motion. Motion passed.

TREASURER'S REPORT

Financial Reports

The May 31, 2019 Balance Sheet (unaudited) and All Power Plants Income Statement (unaudited) 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) - \$1,342,323.19
Check Numbers: 18278-18373

On motion by Richard Conrad, seconded by Reid Baker, which motion passed unanimously, the Current Expense Voucher (O&M) dated June 25, 2019 in the amount of \$1,342,323.19 was approved.

STAFF AND OTHER REPORTS

The following written 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

Change Order No. 1 RDS Governor/Hydraulic System Upgrade

The purpose of Change Order No. 1 was to revise the progress payment schedule and additional warranty requirements with American Governor Company.

Richard Conrad moved to approve Change Order No. 1, Contract 01-11-19.
Phil Stadelman seconded the motion. Motion passed.

Project Development

Manager Culbertson along with others that made the trip out to Ohio and North Carolina provided details and potential opportunities to work with a developer on a technology that may work for the conduit project within the Columbia Basin Project.

Larry Stone and Jonathan Smith made a presentation on key components in the development of large scale generation projects and the role that they can play in facilitating investment in the CBHP development projects.

Manager Culbertson provided an update on all of the recent activities with potential investors and those utilities that could be interested in power purchase agreements.

Dennis Mickelsen moved for CBHP to continue discussions with Rickley on next steps on potential for development of a pilot project implementing their technology with the Columbia basin Project at one of the proposed development sites. Richard Conrad seconded the motion. Motion passed.

Jacob Taylor reviewed the monthly summarized project development expense report for May 2019.

Columbia River Treaty

Manager Culbertson provided a brief report on the latest activities taking place regarding the CRT. There are members on the Power Group in DC meeting with the State Department team during the week of June 24th.

USBR - No report

Cities - No report

Districts - No report

DATE OF NEXT BOARD MEETING

Vice President LaPlant announced that the next Board meeting will be Monday, July 22, 2019 as approved at the May 28, 2019 Board of Directors meeting.

EXECUTIVE SESSION


At 11:35 AM Vice President LaPlant called for a 50-minute executive session to discuss potential property acquisition and personnel issues.

RECONVENE OTHER POWER BUSINESS

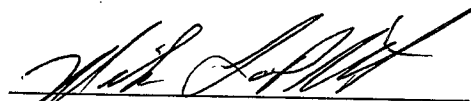
On motion of Phil Stadelman, seconded by Dennis Mickelsen, with Director Conrad opposing, authorization of travel and payment of reasonable expenses for CBHP staff and board members to New York City for meetings with potential investors on July 10th and July 18th, subject to rescheduling by the Manager was approved.

ADJOURNMENT

There being no further business to come before the Board Vice President LaPlant adjourned the meeting at 12:35 PM.



Secretary



Vice President

COLUMBIA BASIN HYDROPOWER Activity Report

For period May 18 to June 14, 2019

Reported by: Larry Thomas Function: Field O&M Activities

Russell D. Smith Power Plant

- . Contract for replacement governor and hydraulic system was awarded.
- . May 21, the unit was taken offline at 1904 hours due to communication system failure. The unit was returned to service May 22 at 0822 hours following restoration of the communication system.
- . Output varied from 0.86 MW to 5.76 MW.

P.E.C. 66.0 Power Plant

- . May 18 to June 4 the plant shut down four times due to low canal flow.
- . Output varied from 0.6 MW to 2.0 MW.

E.B.C. 4.6 Power Plant

- . June 4, the plant shut down at 1020 hours during testing of the standby generator. The plant was returned to service at 1034 hours.
- . Output varied from 0.8 MW to 2.1 MW.

Main Canal Power Plant

- . June 11, annual dam safety inspection was performed by FERC.
- . No outages or abnormal conditions.
- . Output ranged from 19.7 MW to 24 MW.

Summer Falls Power Plant

- . No outages or abnormal conditions.
- . Output ranged from 68.6 MW to 92.1 MW.

Columbia Basin Hydropower

Activity Report

For Period: May 20, 2019 through June 17, 2019

Reported by: Robert Stoaks P.E.

Function: Engineering

- 1) SCADA/PLC/Relay replacement for all plants: RDS installation and commissioning has been completed. Updating RDS O&M manuals and drawings. Finalizing the design for the 4.6 and 66 plants.
- 2) Discovered a line PT oil leak at the RDS, Big Bend Electric installed our spare PT. Requested quotes from vendors for replacement PTs.
- 3) Main Canal: Operator Justin Holland noticed a burning smell around the Duresca bus on 4/28. Coordinated outage for inspection on 5/1. A section of the bus was burned around a ground ring. Working with the manufacturer we determined the bus insulation was still intact. A manufacturer representative was onsite 5/9-5/10 for repair and the bus was installed 5/10. Main Canal was restarted on 5/13. A new section of bus is on order and expected in six to eight weeks.
- 4) Working on the RDS governor replacement contract and award.
- 5) Main Canal battery charger failed. Researching replacement options.
- 6) Reviewing loadability requirements of PRC-025 to implement at Main Canal and Summer Falls.
- 7) Elected Chair of the Rotating Machine Committee (power generation) at the International Doble Conference.
- 8) As a member of the Power System Economics Subcommittee of IEEE Power and Energy Society, I was asked to present a webinar with Andre Diniz from CEPEL in Brazil. The topic of the webinar will be calculation of Net Present Value and determining the correct Internal Rate of Return for utilities based on risk and return

Columbia Basin Hydropower

Activities Report for the period of May 20th, 2019, through June 14th, 2019.

Derek Wolf, PE Mechanical Engineer

General:

- Coordinating mechanical maintenance activities at all plants.
- FERC annual Dam Safety Inspection for the PEC Headworks held on June 10 with Grant Pud.
- USBR environmental survey conducted at North Plants.

Main Canal Power Plant:

- Asbestos abatement for the powerhouse bridge crane has completed.
- FERC annual Dam Safety Inspection on June 11.
- Repairs made to governor air compressor. Budgeting for a replacement compressor for 2020.
- Intake gate position resolver issues addressed as well as excessive vibration.

Summer Falls Power Plant:

- Asbestos abatement complete for Powerhouse Bridge Crane and tailrace gantry crane. New brake shoe linings have been bonded by Brake and Clutch are being installed.
- Continuous repairs being made to the emergency generator #1.
- Troubleshooting excessive cycling on the jockey pump on the fire water suppression system.

RDS Power Plant:

- Governor/hydraulic system upgrade contract coordination with American Governor. Administrative details being worked on.

PEC 66.0 Power Plant:

- Loose wicket gate link pin machined and reinstalled.

COLUMBIA BASIN HYDROPOWER

Activity Report

For Period: May 19 through June 15, 2019Reported by: Betty Craig Function: Technical Information Dept.CMMS:

- CASCADE data entry is in progress.

NERC/WECC COMPLIANCE:

- Reviewed NERC & WECC websites for any upcoming deadlines or revisions to existing standards.
- Completed Q1 MIDAS reporting via MIDAS portal.
- Uploaded Long Term Reliability Assessment for NERC via WECC EFT
- CEM updates for July 1 standard revisions.

NETWORKING & COMPUTERS:

- Routine security, maintenance, and verification of nightly backups.
- Assisted users with miscellaneous hardware and software issues.
- Drafted surplus computer resolution.
- Updated SF02 field unit with full version Office 365.

HYDRO PROJECT DEVELOPMENT:

- None

RECORDS MANAGEMENT:

- Work continues on network file organization.

OTHER:

- Website updates.
- Emailed PEC 66.0 drawings to H2E as requested.