

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE COLUMBIA BASIN HYDROPOWER
EPHRATA, WASHINGTON APRIL 23, 2019

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

CBHP Directors

SCBID – Bryan Alford
ECBID – Reid Baker
SCBID - Richard Conrad
QCBID – Mike LaPlant
QCBID – Phil Stadelman
ECBID – Bernard Erickson (Alt)

Other CBHP Directors Attending

SCBID – Charles Lyall (Alt)
QCBID – John Rylaarsdam (Alt)
ECBID - Dennis Mickelsen (Alt)

Others Attending

Darvin Fales, QCBID
Michael Hill, TP
Craig Simpson, ECBID
Amy Rodman, USBR
Dave Solem, SCBID
Sara Millard, USBR
Hina Arai, SCL
Doug Pickel, Keys Plant GCPO
Others by telephone
Norman Semanko, QCBID

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

CONSIDERATION OF MEETING MINUTES

Mike LaPlant moved that the minutes of the March 26, 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 – March 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 in Board packets. Total March generation was 38.73% of 2014-2018 average.

Property and Casualty Insurance Coverage Renewals (4-23-2019 to 4-23-2020)

Manager Culbertson received the following insurance renewal information from Ron Snyder of PayneWest Insurance:

TABLE				
Coverage	Company	Joint or Individual	2018 Renewal	2019 Renewal
Major Property	Ace American	Joint	\$195,584	\$200,870
Privacy & Network Security	Lloyds	Individual	2,532	2,532
Property	Great Northern	Individual	2,002	3,124
General Liability	Great Northern	Individual	46,741	51,149
Automobile	Federal Insurance	Individual	13,495	16,075
Umbrella	Federal Insurance	Individual	64,638	65,428
Public Officials (2019 Premium Estimated)	Illinois Union	Individual	9,164	9,164
Engineers Professional	Landmark	Individual	5,105	5,105
Travel Accident	National Union	Joint	675	pre-paid
Fidelity/Crime - \$500,000	Hartford	Joint	526	526

Bond - Directors	Hartford	Individual	260	Pre-paid
Bond - Tim Culbertson	Fidelity & Deposit	Individual	938	938
Hull & Machinery	Navigators	Individual	2,729	2,729
Broker Fee	PayneWest	Individual	17,000	17,000
ANNUAL TOTAL PREMIUM			\$361,389	\$374,640

Richard Conrad moved to renew listed coverage in Table above, effective April 23, 2019-April 23, 2020. Reid Baker seconded the motion. Motion passed

Travel Authorizations:

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

- (1) Hydropower Site Visit; Manufacturing Facility, Columbus, Ohio and Little River Project, North Carolina, Dates TBD, Tim Culbertson, Larry Thomas, and Jacob Taylor
- (2) Schweitzer Engineering Labs, Feeder Relay Testing, Charlotte, North Carolina, July 16-18, 2019, Reg. \$1,425 each – Travis Ogle and Brian Skidmore
- (3) FLIR Level 1 Electrical Thermography, Las Vegas, Nevada, June 4-7, 2019, Reg. \$1,995 – Bob Knesek

Mike LaPlant seconded the motion. Motion passed.

TREASURER'S REPORT

Financial Reports

The March 31, 2019 Balance Sheet (unaudited), All Power Plants Income Statement (unaudited) and 1st 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) - \$470,684.78
Check Numbers: 18068-18175

On motion by Mike LaPlant, seconded by Richard Conrad, which motion passed unanimously, the Current Expense Voucher (O&M) dated April 23, 2019 in the amount of \$470,684.78 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)

Doug Pickel, USBR representative, gave an update on the Keys Plant.

Project Development

Manager Culbertson provided a brief report on both the small conduit projects as well as the Banks Lake Pumped Storage project.

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

Columbia River Treaty

Manager Culbertson reported on the latest Power Group meeting which included participation by the lead State Department negotiator Jill Smail.

USBR - No report

Cities - No report

Districts - No report

DATE OF NEXT BOARD MEETING - MAY 28, 2019

Russell D. Smith Power Plant, Task Order No. 4, Change Order No. 1

Task Order No. 4, Change Order No. 1 was presented by Bob Stoaks for H2E engineering consultants to perform additional commissioning support for new relays, PLCs, networks, subsystems and perform functional testing at the Russell D. Smith Power Plant.

Richard Conrad moved to approve Task Order No. 4, Change Order No. 1, Contract 12356-13-17. Phil Stadelman seconded the motion. Motion passed.

Main Canal Headworks Project, Task Order No. 15

Task Order No. 15 was presented by Larry Thomas for Kleinschmidt to provide additional information as requested by FERC regarding the Sixth Consultant's Safety Inspection Report.

Mike LaPlant moved to approve Task Order No. 15, Contract 12356-08-14. Reid Baker seconded the motion. Motion passed.

EXECUTIVE SESSION

At 10:30 AM President Alford called for a 90-minute executive session to discuss performance of a CBHP employee and potential real estate transaction.

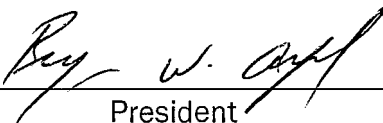
RECONVENE

The regular meeting reconvened at noon.

Richard Conrad moved to offer employment to Darwin Fales for the position of Manager with a salary of \$205,000 per year plus benefits as provided to the current Manager and subject to a start date acceptable to Darwin Fales but no later than September 1, 2019. Mike LaPlant seconded the motion. Motion passed.

ADJOURNMENT

There being no further business to come before the Board President Alford adjourned the meeting at 12:05 PM.



President

Secretary

COLUMBIA BASIN HYDROPOWER
Activity Report

For period March 16, 2019 to April 11, 2019

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

Russell D. Smith Power Plant

- . Upgrade of the existing control system continued.
- . Specifications for replacement governor and hydraulic system were revised and completed.

P.E.C. 66.0 Power Plant

- . Air sampling for asbestos exposure was completed.
- . Installation of automatic intake gate operation circuitry was started.
- . The plant standby generator failed during testing. Subsequent testing determined the generator required significant repairs or replacement. Options are being pursued.

E.B.C. 4.6 Power Plant

- . April 10, following testing the generator was placed on line at 0849 hours.

Main Canal Power Plant

- . Asbestos brakes and dust removal for the shop bridge crane continued.
- . Construction of the new storage building continued.
- . March 25, following testing of the unit the generator was placed online for the Season at 1103 hours.
- . Output ranged from 5.9 MW to 10 MW.

Summer Falls Power Plant

- . March 25, following testing unit 161 was started for the season at 0900 hours.
- . April 4, following testing unit 162 was placed on line for the season at approximately 1300 hours.
- . Output ranged from 17 MW to 30 MW.

Columbia Basin Hydropower

Activity Report

For Period: March 14, 2019 through April 15, 2019

Reported by: Robert Stoaks P.E.

Function: Engineering

- 1) SCADA/PLC/Relay replacement for all plants: RDS installation and commissioning has been completed. Coordinating communication with SCL and BoR.
- 2) Emergency generator failed at 66.0 plant. Specifying a replacement generator.
- 3) 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 2.8% at Summer Falls, and with the upgrade revenue is projected to increase another 3.8% at Summer Falls for an overall increase of 6.8%.
- 4) Main Canal battery charger failed. Researching replacement options.
- 5) 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. Inspected current transformers for indication of cross coupling and tested the CTs. Cross coupling is the probable cause of the misoperation. 87T passed relay testing.
- 6) 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.
- 7) Design of governor oil heaters for Main Canal and Summer Falls. Oil heaters have been delivered and installed.
- 8) Reviewing loadability requirements of PRC-025 to implement at Main Canal and Summer Falls.
- 9) Elected Chair of the Rotating Machine Committee (power generation) at the International Doble Conference.

Columbia Basin Hydropower

Activities Report for the period of March 18th, 2019, through April 12th, 2019.

Derek Wolf, PE Mechanical Engineer

General:

- Coordinating mechanical maintenance activities at all plants.
- Coordinating training for craft workers.
- Working on asbestos policies for CBHP.
- Updating mechanical preventive maintenance directives.

Main Canal Power Plant:

- Continuing to review submittals from Halme Builders for the new storage building. The County has issued the building permit. Foundation is nearing completion.
- Asbestos abatement for the shop bridge crane is nearing completion.
- Prepared pre-inspection paperwork for the annual FERC inspection.

Summer Falls Power Plant:

- U162 brought online after testing on April 4.
- Investigated shaft seal and turbine bearing cooling water low flow conditions.
- Asbestos test performed for the intake gate hoist brakes.

RDS Power Plant:

- Contract specifications for the governor and hydraulic system upgrade has been reviewed by legal and is ready to go out for bid.

EBC 4.6 Power Plant:

- Governor kidney loop system currently being installed.

PEC 66.0 Power Plant:

- Air sampling performed for asbestos fibers once the plant was brought up to 600 rpm, increasing air flow and stirring up dust. Samples came back below permissible levels indicating the dust abatement process was a success.

COLUMBIA BASIN HYDROPOWER

Activity Report

For Period: March 17 through April 13, 2019Reported 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.
- Completed PRC-023 Transmission Relay Loadability submittal via WebCDMS.
- Completed FAC-003 Vegetation Management submittal via WebCDMS.
- Participated in WECC Reliability and Security Workshop via webinar.
- Quarterly compliance call with McCoy Power Consultants.

NETWORKING & COMPUTERS:

- Routine security, maintenance, and verification of nightly backups.
- Assisted users with miscellaneous hardware and software issues.
- Q1 replacement PC's (3) for Windows 7 EOL were delivered.
- Two replacement field laptops were received and prepared for service.

HYDRO PROJECT DEVELOPMENT:

- None

RECORDS MANAGEMENT:

- Work continues on network file organization and discontinuation of project development binders.

OTHER:

- Website updates.
- Ordered budgeted vehicle replacements.
- Installed battery tender in office vehicle.