

Public Utility District No. 1 of Klickitat County
Board of Commissioners' Meeting
Tuesday, December 10, 2019

AGENDA

Time: **KPUD Commission Meeting Start Time – 2:00 p.m. as Advertised**

Location: 1313 S. Columbus Ave. – Goldendale, WA

➤ **PLEDGE OF ALLEGIANCE**

➤ Approval of Minutes – 11/26/2019 Meeting

➤ Approval of Claims / Vouchers for period ending 12/10/2019 (*Cynthia*)

➤ Approval of Payroll for periods ending 11/24/2019 (*Cynthia*)

➤ **PUBLIC COMMENT PERIOD**

REPORTS – 10 min. each:

- Commissioners' Reports
- Manager's Bi-Monthly Report (*Jim Smith*)
-(see attached report)

GUESTS:

- Lon Ball

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

A. 2019 Physical Inventory Update- (*Jeff*)

B. Prequalification of Professional Services Consultants- (*Kevin*)

C. Accounts Receivable Write Offs- (*Brandy*)

D. Resolution 1783- 2018 Cancellation of Unclaimed Warrants- (*Nichole*)

E. 2020 Rate Hearing- Resolution 1784- KPUD Rate Schedule 8- (*Mike*)

F. 2020 Budget Hearing- (*Jim, Nichole, Mike*)

G. 2020 Budget Adoption

H. Executive Session:

a. Potential Litigation- Net Metering Per RCW 42.30.110(1)(i)-

b. Review of a Public Employee- General Manager review Per RCW 42.30.110(1)(g)-

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

NEXT COMMISSION MEETING **Monday- December 23 @2:00**



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the December 10, 2019 Meeting

AGENDA ITEMS:

- A. 2019 Physical Inventory Update – The Purchasing department has completed the Physical Inventory update for 2019. Jeff Thayer will present the adjustment figures and discuss historical and current processes.
- B. Professional Services Approval – There are two firms that staff is requesting be approved for the remainder of 2019 and 2020. We have received all of the required documentation for both of the firms. Norton Corrosion Limited, LLC and McMillen Jacobs Associates have both been on the roster in past years. Kevin Ricks is requesting approval of these two firms.
- C. Account Write-offs – Retail revenue write-offs for the 2018 year total \$88,215.75, which is 0.269% of the 2018 sales. Policy 7 directs staff of the Board's intention to hold credit losses to not more than 0.25 percent of total sales. We all understand that this will vary year to year. We have seen an increase in the last three years from previous years. However, it looks more like a step function at this point, rather than an increasing trend. Brandy Myers will discuss with you at the meeting and will be looking for your approval of the write offs.
- D. Cancellation of Outstanding Warrants – Nichole Lantau will present a resolution to cancel 2018 unclaimed warrants. There are 21 unclaimed warrant vouchers totaling \$2,083.59.
- E. 2020 Klickitat PUD Rate Schedule 8 Public Hearing– Mike DeMott will be requesting adoption of Resolution 1784. The increase reflected in Rate Schedule 8 is for the rate that affects PUD facilities only. The rate is based on BPA's adjusted power supply costs for 2020. Mike is requesting that you approve this electric rate change. This increase does not affect other retail rates or any customer directly.
- F. 2020 Klickitat PUD Operating Budget Hearing – we will be presenting the 2020 Operating Budget for public comment. The only change from the budget you saw at the November 26, 2019 Board meeting, is moving \$1.5 million from 2019 to 2020 as the spare compressors ordered a year or so ago will not be here until 2020. The year-end capital forecast for 2019 was decreased by \$1.5 million and the 2020 capital budget was increased \$1.5 million, for no net change in expenditures.

G. 2020 Klickitat PUD Operating Budget Adoption – I will be asking the Board to approve the 2020 Operating budget, pending input from the Public Hearing.

H. EXECUTIVE SESSION –

- a. Potential litigation, net metering, Per RCW 42.30.110(1)(i). General Council Athan Tramountanas will be attending via telephone.
- b. Review the Performance of a Public Employee, General Manager review, Per RCW 42.30.110(1)(g)

NON-AGENDA ITEMS:

1. **Coverage over Christmas** – I will be on vacation December 18 - January 7. Gwyn Miller will be covering on my behalf during this time. We have reviewed senior staff vacation plans and have daily coverage during the season. Gwyn and Mark Pritchard will be in the area and only off a couple of days from Christmas to New Years. We also completed a winter preparedness review and are publishing a weekly coverage schedule for support and other key staff in the event of outages.
2. **Strategic Planning** – Commissioner Miller asked about the scheduling of the next strategic planning session. I am inclined to advise that we focus on implementation of the existing strategic plan this year, and complete an update in September / October of 2020. Our situation is not significantly different from a year ago and I think we will have much better data on RNG performance and the carbon markets to evaluate during a review in a year. I think the existing plan is providing sound guidance to our managers and myself.
3. **Performance Reviews** – I will be completing performance reviews with my direct reporting managers before year-end. I will be asking that they take our discussions and formulate their 2020 department goals over the following month and we will then finalize their 2020 goals mid-January.
4. **My Performance Review** – if you are agreeable, we will have materials to you at the first meeting in January for you to discuss and then meet in executive session to complete the review at the second meeting in January?