

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners' Meeting**  
**Tuesday, November 12, 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 – 10/22/2019 and 10/24/2019 Meeting

➤ Approval of Special Meeting Minutes –10/25/2019 Meeting

➤ Approval of Claims / Vouchers for period ending 11/12/2019 (*Cynthia*)

➤ Approval of Payroll for periods ending 10/27/2019 (*Cynthia*)

➤ **PUBLIC COMMENT PERIOD**

**REPORTS – 10 min. each:**

- Renewable Energy Assets Report (*Kevin*)
- Power Management Bond Sale Update (*Mike*)
- July/August Financial Report (*Nichole*)
- Commissioners' Reports
- Manager's Bi-Monthly Report (*Jim Smith*)  
-(*see attached report*)

**GUESTS:**

- W.J. Morris and Scott Dixon-  
Dallesport Water District
- Justin McWethy-Net Metering  
Customer

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

A. USDA Funding Delegation of Authority (*Sharon*)

B. Pre-Qualification of Contractors- Platinum Industrial (*Jeff*)

C. 2020 Operating Budget 2<sup>nd</sup> Review and Setting of 2020 Operating Budget Hearing date- (*Jim, Mike, Nichole*)

D. Discussion of Klickitat PUD Electrical Services Rate Schedule 8 increase and Klickitat PUD Retail Electric Rate increase proposal for 2020- (*Jim/Nichole*)

E. Set Public Rate Hearing date- (*Mike*)

- a. Klickitat PUD Electrical Services Rate Schedule 8
- b. Klickitat Retail Electric Rate- *If directed by the Board*

F. Executive Sessions

- a. Collective Bargaining *Per RCW 42.30.140(4)(a)-*
- b. Potential Litigation- Net Metering *Per RCW 42.30.110(1)(i)-*

**ADJOURNMENT**

**FOR THE GOOD OF THE ORDER:**

PURMS Executive Board Meeting **November 6-7** (Randy)

WPUA Association Meeting- **November 13-15** (Doug)

WPUA ANNUAL MEETING **December 4-6** (Vancouver- Heathman)



# Public Utility District No. 1 of Klickitat County

80 Years of Service \* 1938-2018

## GENERAL MANAGER'S REPORT TO THE BOARD For the November 12, 2019 Meeting

### AGENDA ITEMS:

- A. USDA Funding Delegation of Authority- The Water department is requesting approval of Resolution 1782-delegating signing authority to the General Manager or his designee for the purpose of applying for USDA project funding of the Klickitat Water System intake project.
- B. Pre-Qualification of Contractors- Purchasing is requesting the pre-qualification of Platinum Industrial. They have provided all of the required documentation and met our qualifications for addition to the roster.
- C. 2020 Operating Budget 2<sup>nd</sup> review- The only changes from the first draft of the budget are:
  - a. While we were working on our refinancing, we maintained the year-end forecast from June that was consistent with the rating agencies figures in the first draft. Now that that process is complete, we are updating the year-end forecast to include actual results through August 2019.
  - b. Given feedback from Ratings Agencies, we are recommending not moving any funds from the rate stabilization fund at this time and no transfer is shown in the second draft.
  - c. We included the finalized new bond principal, interest and BAB's numbers from the refinancing.

If the Board is comfortable with the proposed Budget, staff is requesting that we set the Public Rate Hearing date for December 10<sup>th</sup>.

- D. Proposed Retail Rate Increase Discussion - as part of our review of the 2020 Budget, we will be discussing 3 rate alternatives for your consideration. This will include some discussions on the Financial Policy. We are not recommending changes to the Policy at this time, but are planning on bring this policy back in the first quarter of 2020 for further discussion and these rate alternatives will shed some light on the things we are considering.
- E. Setting of Rate Hearing Dates:
  - a. Klickitat PUD Electrical Services Rate Schedule 8- Staff is requesting that we set the Public Rate Hearing date for December 10<sup>th</sup>, 2019 at 3:00 p.m. This proposed

increase effects only the Klickitat PUD Electrical accounts. The adjustment is due to the BPA CY2020 rate determination.

- b. Klickitat Retail Rate Increase- if an electric rate increase is implemented as part of the 2020 Budget process, Staff is recommending that we set the Public Rate Hearing date for December 10<sup>th</sup>, 2019 at 3:00 p.m. The first draft of the 2020 Budget proposed a 1.5% Retail Rate increase to be effective on bills beginning April 1, 2020.
- F. Executive Sessions:
- a. Collective Bargaining Per RCW 42.30.140 (4)(a)
  - b. Potential Litigation- Net Metering Per RCW 42.30.110(1)(i)

### **NON-AGENDA ITEMS:**

1. **Bond Sale** – Mike will be providing a presentation with summaries of the recent bond sale.
2. **Public Power Council** – I attended the Washington D.C. trip to talk with legislators a couple of weeks back, in conjunction with the bond sale. We met with 23 legislators or their staff during the 3 days. The primary focus was BPA competitiveness and the advocating for a reassessment of the costs of the federal hydro projects to the various beneficiaries, such as flood control and other water uses. We also discussed the Columbia River Treaty and the region’s desire to send Canada the 10-year termination notice to try to advance the slow moving negotiations.
3. **Water Banking-** There is an Attach Article for your reading.
4. **White Creek Retirement Party-** Bjorn Hedges has been planning a retirement party for Tom Svendsen from his role as White Creek Purchasers Representative. It is scheduled for Saturday, December 7<sup>th</sup> from 1:00 to 3:00 at the Maryhill Winery and you are invited to attend.
5. **DNR / Utility Wildfire Task Force** – the next meeting is scheduled for November 15th in Olympia. DNR retained a facilitator and I discussed our issues with him last week.
6. **WPUDA Annual Meeting- December 4-6 in Vancouver-** I was not planning to attend the annual meeting and wanted to check who is interested in attending.