

Public Utility District No. 1 of Klickitat County
Board of Commissioners' Meeting
Tuesday, August 23, 2022

AGENDA

ONE TIME USE – **Regular Meeting** Call in number option: 844-621-3956 (Access Code: 2485 758 7983)

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

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

➤ **PLEDGE OF ALLEGIANCE**

➤ Approval of Minutes – 08/09/2022 Meeting

➤ Approval of Claims/Vouchers for period ending 08/23/2022 (*Isabelle Carroll*)

➤ Approval of Payroll for period ending 08/14/2022 (*Isabelle Carroll*)

➤ **PUBLIC COMMENT PERIOD**

REPORTS – 10 min. each:

- Operations update (*Mike Nixon*)
- Engineering update (*Mark Garner & Brandon Johnson*)
- Commissioners' Reports
- Assistant General Manager (*Gwyn Miller*)
- Manager's Bi-Monthly Report (*Jim Smith*)
-(see attached report)

GUESTS:

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

A. Professional Services Prequalification (*Brandon Johnson*)

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

- Klickitat County Fair August 17-21
- LFG Infrastructure Fund Application Review meeting August 26 at 11a.m.
- Strategic Planning Meeting September 8, 9a.m.-4p.m.
- Employee Recognition Luncheon September 13 @ 12:30 p.m.



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the August 23, 2022 Meeting

AGENDA ITEMS:

- A. Prequalification of Professional Services Consultant - There is one company, Woden, LLC, who has submitted the required information to allow for approval and addition to the 2022 Professional Services roster. This firm has met all of the requirements for addition to the roster.

NON-AGENDA ITEMS:

1. Stay on Litigation Columbia River System Operations (CRSO) - Attached is a summary from PPC regarding the recent stay on the CRSO litigation. The river operations in place for the past year will remain in place for the term. Attached is the PPC position.
2. BPA Post 2028 Update - The two issues I wanted to touch on are intertwined: system allocation and augmentation. There is underlying support so far in PPC to support BPA providing the range of costs associated with augmentation. The model being discussed to set our contract high water mark amounts so that ALL our 2026 loads be met with Tier I power supply. That means that augmentation costs to get to that load requirement, get rolled into Tier I. Clearly, utilities without load growth do not want to pay for augmentation. The tradeoff being discussed is some level of credit for self-funded conservation efforts be provided. That so far looks like it might make the utilities without load growth supporting augmentation as part of Tier I.

This is clearly a trade-off. We would lose on agreeing to provide the credit. However, our Tier I allocation could go from roughly 38 aMW to 59 aMW. That is a big increase for us and totally changes commitments and risks we would need to undertake just to meet our load. To me, this is a worthwhile trade for the conservation credits.

3. 2023 Budget Process - Our first drafts from department heads are due mid-September. We are planning on the same budget presentations and reviews with the board that we have done in past years, with a final budget for approval in December. If there is rate action necessary, I am envisioning that any rate hearings be part of the budget hearing process.
4. Rate Redesign / AMI Communications Plan - We have Rodger Nichols on board to help us draft our initial articles that explore the electric industry and the changes that are leading us to propose redesigned rates and AMI. Lee Weinstein and Dan Spatz will help us as needed on a voluntary basis as they are both very busy.

How this series is communicated and how it changes into material for other media, like video or radio, is being discussed. The initial goal is to have this written by the end of the year. Attached is the draft framework from this series. If you have input, please let me know.

5. County / Dallesport Waste Water Community Meeting - Commissioner Miller and I will fill you in at the meeting. All three Klickitat County Commissioners were present and the meeting was well attended by community members, although it was still a very small percentage of the total local population. I thought Dave Sauter did a good job of framing the discussions and rate evaluations that need to be held with the community by the end of the year. Commissioner Anderson stated he thinks the rates need to adjust in this budget cycle. No numbers were presented, just the facts that the system must now become self-funding. I think those present understood the value that the county has provided to the community over the past 20 years.