

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners' Meeting**  
**Tuesday, September 25, 2018**

**AGENDA**

Time: **KPUD Commission Meeting Start Time – 2:00pm as Advertised**

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

- **Pledge of Allegiance**
- Approval of Minutes – 9/11/2018 Meeting
- Approval of Claims / Vouchers for period ending 9/25/2018 (*Eileen*)
- Approval of Payroll for period ending 9/16/2018 (*Eileen*)
  
- **PUBLIC COMMENT PERIOD**

**REPORTS – 10 min. each:**

- Water/Wastewater Report (*Sharon*)
- Operations Report (*Mark*)
- Engineering Report (*Ron*)
- Commissioners' Reports
- Manager's Bi-Monthly Report (*Jim Smith*)  
-(see attached report)

**GUESTS:**

○

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

- A. RESOLUTION 1766\_LOW INCOME ELDERLY RATE (*Brandy*)
- B. PREQUALIFICATION OF PROFESSIONAL SERVICES CONSULTANT (*Jim*)
- C. POLICY 9-FINANCIAL PLAN\_ REVIEW (*Mike*)
- D. RNG UPDATE- To be provided at meeting (*Kevin*)
- E. WALKLEY SCHOLARSHIP NOMINEE DRAWING (*Luann*)

**ADJOURNMENT**

**FOR THE GOOD OF THE ORDER:**

09/25 TABLET TRAINING FOLLOWING THE MEETING- Public Meeting Room  
09/26-28 WPUWA Water Committee Meeting  
10/8 ANNUAL MEETING 9-3 Goldendale Grange  
10/9 QUARTERLY JOINT MEETING/Klickitat County Commissioners  
11/14 STRATEGIC PLANNING WORKSHOP 9-3- Maryhill Museum



# Public Utility District No. 1 of Klickitat County

80 Years of Service \* 1938-2018

## GENERAL MANAGER'S REPORT TO THE BOARD

For the **September 25, 2018 Meeting**

### AGENDA ITEMS:

- A. RESOLUTION 1766- SENIOR DISCOUNT 2018- This program has been in effect since 1979. Discount levels were reduced in 2013 with income guidelines unchanged. Income thresholds were modified in 2016 to align with poverty level guidelines. The Objective is to distribute discounts to eligible customers during cold weather months. We have exceeded the \$55,000 target for the past two years, but averaged \$55,000 for the last 6 yrs. We actively encourage senior participation and coordinate with local service groups to increase participation.
- B. PREQUALIFICATION OF PROFESSIONAL SERVICES- Requests for Qualifications of Professional Services Consultants are formally requested annually. Reviews of the information received are completed and staff recommends approval. Approval is only for the current year, renewals are required annually. H&H Solutions has met all of our qualifications and staff recommends their renewal for 2018.
- C. POLICY 9- FINANCIAL PLAN DISCUSSION – Staff is completing their annual review of Policy 9. We will be talking about potential changes to our Financial Policy as we develop our framework for our strategic planning session in November. We will also address Commissioner Knowles questions last meeting regarding reporting of Policy performance. I am very pleased how the thoughts and structure are coming together for both the policy and strategic plan. There appears to be great alignment. I firmly believe that we are at the point in our organization's development that this next iteration of the strategic plan and the direction it sets will make a significant difference in how we take advantage of the work we have done in the past 8 years. This will set the stage so we can maintain the ability to be proactive as our industry continues to change by managing our debt repayment, rates and risk.
- D. RNG UPDATE- Kevin will provide the board with an update of the project status and schedule at the meeting.
- E. WALKLEY SCHOLARSHIP NOMINEE DRAWING- Annually in September staff is requested to provide the names of their graduating seniors. The Walkley Scholarship was established by a former Franklin PUD Commissioner. The scholarship is given to a high school student who is a child of a PUD employee. There are three students of employee's that are eligible for the nomination drawing this year. They are Logan Quantrell, Erick Evans, and Garrett Schroeder.

## **NON-AGENDA ITEMS:**

- 1.** Chief Engineer – we made an offer and negotiated with a candidate and we ultimately did not reach an agreement. There were clearly personal issues regarding the candidate’s family situation that we could not resolve. We will involve a recruiter to help us find additional candidates.
- 2.** WPUDA September Meeting – we discussed the fire risk document developed by the WPUDA task force with the energy committee. The only additional feedback was a stronger focus on forest management practices. The work is proceeding and we will discuss further at the October Managers section meeting. I would like to discuss the flavor of the Net Metering discussion at the energy committee with you.
- 3.** Goldendale Energy Storage – Tom Tebb from Ecology attended a local open house regarding the Switzler Canyon irrigation storage project held in Goldendale last week. It appears that he was asked to include \$500,000 for support for this project in his capital budget. We are starting conversations on the best use of those funds and it is likely we will run the funds through the PUD. The Klickitat County Economic Development group is meeting on September 27<sup>th</sup> to discuss the project. My understanding is that Scott Tillman will be there. Dana Peck and Miland Walling have also organized a briefing and a tour for the Blue Green Alliance labor group on October 2<sup>nd</sup>. There are also several storage related articles in your reading file.
- 4.** Landfill Gas Infrastructure Fund – we have completed our estimates for the Lyle water system aging pipe replacement and new water source project. Bids for the well house, pump equipment and intertie piping should be out shortly. We have sent an application for funding from the Landfill Gas Infrastructure fund. I want to ensure we have financial support prior to the final bid awards. The application is for \$375,000. There is currently \$585,000 in the fund. The county has received a second request for Infrastructure funds and would like the committee to meet on either the 2<sup>nd</sup> or 9<sup>th</sup> to review.
- 5.** NISC Computer System Upgrades – the billing system scenario training will take place next week (the week of the Board meeting). We will be holding the Commission meeting in the big meeting room. This change is a result of juggling meeting rooms, our preference was to not require staff to set up and tear down the training equipment more than once. Conversion dates for the billing system are still December and progress is going well on the accounting side, with conversion still scheduled for January 2019. We have been active in visiting other utilities that utilize NISC systems, attending user group meetings, and are finalizing the interface points for mapping and outage management.

6. Budget Process –our budget schedule is still on track. Although, it is posing a significant challenge given computer system changes and the transitions in staffing we are implementing. Our staff is doing extremely well with everything they are facing. It is clear that BPA rates will present significant challenges to our rate making. On the positive side, it appears as though they are making progress on the IRP costs and Elliott is saying there are no rate increases associated with those budgets. That is an important improvement from BPA. However, forecasted poor secondary revenues, financial policy, credit rating and access to capital issues are likely to push rates this period. How they handle this will definitely be a balance between rates and the likelihood of a CRAC.