



Public Utility District No. 1 of Klickitat County

85 Years of Service * 1938-2023

GENERAL MANAGER'S REPORT TO THE BOARD For the **January 23, 2024** Meeting

AGENDA ITEMS:

- A. Brighter Goldendale Christmas Committee Presentation - We were approached by the Brighter Goldendale Committee to provide a presentation and thank our staff for their continued assistance with the annual lighting project.
- B. Glenwood Water Connections and Water Right Discussion - We have received notice from the Department of Health that our water connection increase request has been approved. We had received an increased water right and additional service connections from the Yakama Nation. DOH has provide approval of 300 total connects, which agrees with the Yakama Nation numbers. Staff is asking that we lift the moratorium on the Glenwood water system.
- C. Call for Bid Dock Crew - Mark Garner will be presenting the call for bid for a dock crew for projects identified in in our 2024 capital plan.
- D. Temporary Suspension of the Delinquent Process - Brandy would like to discuss waiving late fees and penalties during this inclement weather event.
- E. Executive Session per RCW 42.30.110 (1)(b) to consider lease or acquisition of real estate.

NON-AGENDA ITEMS:

- 1. Winter Storm - Staff will review the impacts of the recent cold weather and storms at the meeting.
- 2. WPUDA Bill Summary - attached
- 3. Senate Bill 6206 - this bill essentially makes PUDs that have water and waste water systems, the provider of last resort in place of Counties. WPUDA is opposed. I have Dave Warren looking into who is running it and why.

4. Senate Bill 5919 - Sale of biogenic carbon dioxide and other coproducts (King) – this is our Klickitat PUD bill to ensure we have authority to produce and sell biogenic carbon dioxide. I testified January 16th. House Bill 2069 is the Mosbrucker companion bill. I am registered to testify January 23rd, which might take me out of the Commission meeting after 4:00, so I am hoping for a short meeting.
5. Residential Exchange - when the current BPA contracts were agreed to in 2008, a settlement was reached for payments from consumer owned utilities to investor-owned utilities, rather than BPA calculating and applying the payments each rate period. This payment is currently about \$250 million per year, or about 10 – 12% of rates. This will need to be calculated per Bonneville statutes before 2028 or settled again. PPC expects that the IOUS will engage later this year and it will take senior level discussions between the IOUs and COUs before progress is made. I will discuss at the meeting.
6. USG Settlement - the ninth district court has not yet responded to the settlement. I hear that is expected by the end of January. PPC believes that:
 - a. Spill implications are likely about financially neutral.
 - b. BPA has stated that the rate impacts due to the \$300 million they committed to over 20 years is a 2.7% rate increase.
 - c. PPC believes that the risks are in implications of “what comes next.” Their models show upwards of a 40% BPA rate increase to cover the generation replacement costs of the Lower Snake River dams (LSRDs). BPA says in a different study that these costs could be 21 – 40% of rates.
 - d. Thus the \$300 million is not really a cap.
 - e. Plaintiffs are not barred from further litigation on different issues and anyone other than the six sovereigns could file litigation against BPA for the same issues this settlement settles.
 - f. In news articles, plaintiffs are seeing this settlement as a win on removing the LSRDs.
 - g. As I have said before, a huge issue I see is that the replacement resources being proposed will not replace the capacity of the LSRDs, which could lead to even higher costs.