

Public Utility District No. 1 of Klickitat County
Board of Commissioners' Meeting
Tuesday, November 13, 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 – 10/23/2018 Meeting
- Approval of Claims / Vouchers for period ending 11/13/2018 (*Cynthia*)
- Approval of Payroll for period ending 10/28/2018 (*Cynthia*)

➤ **PUBLIC COMMENT PERIOD**

REPORTS – 10 min. each:

- Generation Assets/Renewable Energy Projects Report (*Kevin*)
- Power Management Report (*Mike*)
- August Financial Report (*Nichole/Beth*)
- Commissioners' Reports
- 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. 2018 CUSTOMER ACCOUNT WRITE OFF'S- (*Brandy*)
- B. 2019 OPERATING BUDGET INITIAL REVIEW

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

11/14 STRATEGIC PLANNING WORKSHOP 9-3- Maryhill Museum
11/15-16 WPUDA EXECUTIVE/BoD MEETINGS-Olympia
11/16 AUDIT EXIT REVIEW-Conference Call
12/03 CUSTOMER SERVICE LIVE on NISC
12/05-07 WPUDA ANNUAL CONFERENCE-Tulalip
12/11 2019 ANNUAL BUDGET HEARING



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD

For the **November 13, 2018 Meeting**

AGENDA ITEMS:

- A. 2018 CUSTOMER ACCOUNT WRITE OFF'S- Brandy Myers will discuss the proposed 2018 Customer Account Write off recommendation. Staff has processed the proposed write off recommendations consistent with Policy 7. The recommendation falls within policy requirements.
- B. 2019 OPERATING BUDGET REVIEW- we have not made any changes to the 2019 Operating Budget proposal we discussed last meeting. I do not have any further information for you, so I was intending on just opening up discussions.

NON-AGENDA ITEMS:

1. **Election Results from WPUDA-** attached is the results summary we received today from WPUDA.
2. **NWPPA One time credit-** We received the attached note from NWPPA that they had exceeded their budget targets in 2017 and with continued good financial performance in 2018, they are electing to credit that accumulated surplus against our 2019 dues. The amount is 10%, which is about \$1,700.
3. **Strategic Planning Session-** Our Strategic planning session is scheduled for 9:00 – 3:00 on Wednesday November 14th at the Mary Hill Museum. The final agenda is attached and Therese Hampton will be on site to facilitate our session again this year.
4. **Second Commission Meeting in December-** We have scheduled the second meeting in December for Thursday, December 27th, at 2:00 p.m. We anticipate opening the meeting to pay bills and that should be all of the business required. We will be providing a call in number for this date as I don't see a need for you to be on site for the meeting, but we still need a quorum on the phone to approve payroll and vouchers.
5. **WPUDA / DNR Fire Liability Task Force-** we met with staff from DNR in Olympia to discuss fire risk reduction. George Geissler, who is the new Washington State Forester and Deputy Supervisor for Wildfire was in attendance. I thought the meeting went very well. George is clearly interested in engaging in trying to reduce the risk of wild fires with us. We discussed the three basic tenants put together by the WPUDA work group and DNR was

receptive. We both have “concerns” about how we share information during investigations from a legal perspective, but we both understand that if we aren’t communicating, poor results can happen and nothing is learned to potentially reduce fire risk in the future. The idea we are exploring is separating the investigation as a fact-finding exercise from the liability determination process. Currently, we don’t even know there is an investigation until the claim is received. We also discussed a master agreement for use as a template for utilities and DNR for access and removal of hazard trees, and DNR arborists working with utility arborists on standards, hazard tree determinations and other technical work. That does not include DNR setting our trimming standards, that is our job under your direction, but it does create more opportunities to discuss issues and concerns.

I think the door is open for the work group to continue to advance our issues administratively, and we have tentative acceptance (if not support) that PUD’s will likely explore liability language in Washington State law further. DNR stated that is outside their mandate.

6. **LFG Capacity-** I have had discussions with two PUDs in the last month that have capacity shortfalls in their Integrated Resource Plans and they are interested in discussing LFG as part of their resource and it seems like might be a very good fit. Very preliminary at this point, but we will begin to explore this further as we get RNG settled down and operating, but I wanted you to know there is some potential interest in the next step for the LFG site.
7. **Dave Warren Activities-** Dave has drafted the first RNG tax revision legislation proposals and Athan Tramountanas is commenting on the language. Dave Warren and I are meeting with Senator King on Thursday, November 15th to discuss the legislation, as well as other RNG related bills being discussed in Olympia. Dave is also involved with the WPUDA / DNR task force work.
8. **Goldendale Energy Storage Project-** Brian and I talked with Melissa Downes from Tom Tebb’s staff to explore the Ecology funding we were made aware of. Ecology has a total project 2019 / 2020 biennium capital budget of \$268 million, which includes \$40 million for Columbia River Water Supply Development. There is a project proposal in that budget for \$500,000 for “WRIA 30 Pump Storage Feasibility”. From discussions with Melissa, there needs to be a tie to water supply development for this to work and we have some ideas, although I want to discuss with you further. I think there is a real potential here to benefit our local community. Keep in mind that this is in a capital budget that will be considered by the legislators in the up-coming session and is not yet approved.

The Department of Commerce also met with Scott Tillman and Commerce is engaging staff

to assist with not just Scott's potential developers, but with the pumped storage project as well.

9. **WPUDA Annual Conference**- the annual conference is scheduled for December 5, 6 and 7 at the Tulalip Resort. I am attaching the agendas and conference tracks. If you are interested in attending, please let Luann know as we will need to book rooms very quickly. As Chair of the General Managers section, I am planning on attending.