



Public Utility District No. 1 of Klickitat County

75 Years of Service

1938-2013

GENERAL MANAGER'S REPORT TO THE BOARD

For the December 22, 2015 Meeting

AGENDA ITEMS

- A. Professional Services Consultant – Staff is asking the Board to authorize the addition of “Strategies 360” to Klickitat PUD’s Professional Services Consultants listing for the remainder of the calendar year 2015 and also the 2016 calendar year, as they have met our qualification requirements.
- B. Accounts Receivable Write-Offs – Enclosed in your packets is a list of accounts that staff is recommending the Board authorize they be written off in a total amount of \$33,434.36. Staff will continue collection efforts on these accounts.
- C. Resolution No. 1704: 2014 Unclaimed Warrants – Staff is recommending adoption of Resolution No. 1704, thereby authorizing cancellation of unclaimed warrants in the amount of \$791.74. These are checks that have not been redeemed within one year of their issue.
- D. Resolution No. 1707: Regulatory Accounting for Debt Issuance – Staff is recommending adoption of Resolution No. 1707, thereby authorizing District staff to implement the Regulatory Accounting method for Debt Issuance Costs, retroactive to January 1, 2015.
- E. Resolution No. 1705: Bickleton Water System Project – Staff is recommending adoption of Resolution No. 1705, thereby declaring the Bickleton Water System Project as complete.
- F. Resolution No. 1706: White Creek Board Members – Jim is recommending adoption of Resolution No. 1706, thereby appointing KPUD’s Chief Financial Officer as the District’s “Alternate” Board Member for the White Creek Project and White Creek Public Boards, with Jim remaining as the District’s main member of both Boards.
- G. Policy Bulletin No. 42 “Identity Theft” – Staff is presenting revisions to Policy 42 for your consideration of approval.
- H. Account Billing Adjustment – Due to the dollar amount of an account adjustment being higher than what the General Manager is authorized to approve, this account is being brought to the Board for approving. The General Manager and staff’s recommendation for adjustment is explained on the enclosed documents.

- I. Independent Contractor Agreement – Commissioner Knowles would like to discuss the contract that the District currently has with the Pumped Storage Project Coordinator, which is scheduled to end December 31, 2015 (see pages I.7 & I.8 in your packets).
- J. Governance Policy – Included in your packets is the first draft from Jim Smith of a governance policy for your review and input.
- K. Executive Session: Personnel Matters – Staff would like to discuss personnel matters with you in Executive Session per RCW 42.30.110 (1)(g).

NON-AGENDA ITEMS

1. G.M. Vacation – Jim will be on vacation from December 18th through January 5th. Ron Ihrig will be acting GM in his absence and will be sitting in for him at the Board meeting.
2. G.M. Meeting Attendance – Jim met with the Executive Director of the Public Generating Pool (PGP) on December 10th to discuss strategies in his role as Chair of the PGP Executive Committee and also attended the December 17th meeting with the PGP Executive Committee in Seattle. Key focus areas for PGP are carbon legislation as it relates to our collective generating assets, California markets, and the Energy Imbalance Market (EIM) initiatives. All these initiatives are very well aligned with our internal strategic focus areas.
Jim also attended the Public Power Council annual general meeting December 10th.
3. KLCK – Jim completed a “morning talk show” interview with Julian Notestine on December 14th. The recording will air on the KLCK1400 radio station, and will then be available on their website at <http://gorgenevcenter.com> under the “AM Programs” section. The date for the interview to air on the radio has not been scheduled as of the date of this report.
4. McNary Crane Failure Update – Kevin will provide a verbal update on Tuesday.
5. Capitalization Threshold – In the “for your information” category and in keeping with our ongoing efforts striving to be more efficient, I thought it was worth mentioning that we are planning to raise the dollar threshold above which items are capitalized. Our current threshold is \$500, which causes a lot of additional recordkeeping and tracking. This threshold has been in place for as long as anyone can remember. We are planning to raise the threshold to \$5,000 – a level more in line with our industry peers. The estimated impact on “O&M” expenses due to this change is in the \$100,000/year range (some items will be expensed that would otherwise have been capitalized). Coincident with this change, we will also be implementing a Procedure to identify and track “small and attractive” assets we acquire that are below the \$5,000 threshold.