

Public Utility District No. 1 of Klickitat County
Board of Commissioners' Meeting
Goldendale, WA

Tuesday, December 12, 2017

A G E N D A

Time: **KPUD Commission Regular Meeting Start Time – 2:00pm**
Location: 1313 S. Columbus Ave. – Goldendale, WA

- **Pledge of Allegiance**
- Approval of Minutes – 11/28/2017 Meeting
- Approval of Claims / Vouchers for period ending 12/12/2017 (*Cynthia*)
- Approval of Payroll for period ending 11/26/2017 (*Cynthia*)

➤ **PUBLIC COMMENT PERIOD**

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

- A. **PREQUALIFICATION OF CONTRACTORS** [*Mark*]
- B. **FACEBOOK OUTAGE PREPAREDNESS RESPONSE DRAWING**/*Brandy*
- C. **ACCOUNT WRITE-OFFS** [*Brandy*]
- D. **CANCELLATION OF UNCLAIMED WARRANTS** [*Gwyn*]

REPORTS – 10 min. each:

GUESTS:

- LFG Monthly Report - Monthly Report [*Kevin*]
- Power Management-Monthly Report [*Mike/Jim*]
- Commissioners' Reports
- Manager's Bi-Monthly Report (*Jim*) - report attached

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AGENDA ITEMS Continued

- E. **NET METERING WORKSHOP DISCUSSION** [*Mike/Jim*]
- F. **2018 OPERATING BUDGET- Hearing 4:30pm.** [*Nichole*]
- G. **2018 OPERATING BUDGET- Approval** [*Nichole*]

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

12/26 KPUD Board Meeting, 2:00pm



Public Utility District No. 1 of Klickitat County

79 Years of Service * 1938-2017

GENERAL MANAGER'S REPORT TO THE BOARD For the December 12, 2017 Meeting

REVISED 12/12/2017

AGENDA ITEMS

- A. **PREQUALIFICATION OF CONTRACTORS**- Staff has received information from two new contractors requesting that they be added to our works rosters. Staff is recommending that Daybreak Construction be added to the small works roster and Rockford Corporation be added to both the small and large works rosters. Rockford was awarded the bid for the Renewable Natural Gas pipeline construction.
- B. **FACEBOOK OUTAGE PREPAREDNESS RESPONSE DRAWING**- This year staff requested that we change the award process for customer survey winners. In addition to the traditional award winners, we requested two more awards of \$50 to promote our social media following. When the initial request was made in March, KPUD's Facebook Page had a following of approximately 600 people, by the end of November that number had increased to 792. In November we promoted outage preparedness we had 271 customers "Like" the post to be eligible for the \$50 account credit. This post reached 5171 people. The increase in "Followers/Likes" increases our ability to reach customers with important messages for things like outage status, conservation programs, operation warm heart, senior discounts and other similar programs and information. With the cold weather setting in, the December campaign is currently promoting weatherization.
- C. **ACCOUNT WRITE-OFF'S**- Brandy Myers will present the annual write off recommendations. This year's write-off's total \$92,654.89. This is 0.298% of the 2016 total sales. This is above our target of 0.25% for the first time I can remember. On the good side, focus on collection efforts has steadily increased the recovery of previously written off account amounts over the past three years.
- D. **CANCELLATION OF UNCLAIMED WARRANTS**- This is an annual process. Staff is requesting the Commissioner's adopt Resolution 1752 to cancel outstanding warrants. Those being brought before you for cancellation are for the year ending 2016. In total there are 23 unclaimed warrants totaling \$1,820.67; 15 are customer refunds, 5 are Renewable Energy Rebates, 2 are Commissioner's reimbursements and 1 is a vendor payment. 10 of the warrants have been turned over to the Washington State Department of Revenue as unclaimed property. The remaining 13, if not redeemed, will be turned over to Washington State Department of Revenue as unclaimed property in 2018. Until then AP will continue due diligence to facilitate redemption of the unclaimed warrants.

E. NET METERING WORKSHOP DISCUSSION- Staff has conducted two customer workshops, one on December 5th in White Salmon and one on December 6th in Goldendale, for the purpose of receiving customer feedback concerning the current status of the KPUD Net Metering program. The workshops are being conducted in an effort to provide sufficient opportunity for public comment concerning the future of this program. Staff has gathered customer feedback and that info is attached for you review. Mike will be away for the Board meeting, so I can give some color, but he wanted to get these notes into your hands as soon as he could, especially with the holiday season coming up. Mike will be prepared to discuss and present further detail in January.

F. 4:30 pm. 2018 OPERATIONAL BUDGET FINAL REVIEW AND HEARING -

We will be opening the hearing for the 2018 Operational Budget adoption at 4:30pm at which time there will be a presentation of the budget. The budget was presented to the board on November 14th for their initial review and on November 28th the board reviewed revisions. There have been no corrections made to the budget since the November 28th review.

G. APPROVAL OF 2018 KPUD OPERATIONAL BUDGET- Upon completion of the budget hearing, staff recommends approval of the 2018 Operational Budget as presented.

NON-AGENDA ITEMS

1. G.M. Meetings:

Annual WPUDA Meeting, Spokane WA November 27: I attended the General Managers meeting, where we discussed and revised the Energy Independence Act action plan to become a bit broader Clean Energy Action Plan, as directed by the WPUDA Board on November 17th. I also attended the President's Reception on behalf of Klickitat PUD.

Renewable NW Tour, LFG/WC/JDPS December 1: I took Amanda Jahshan the local Washington Policy Advocate from Renewable Northwest, to the HW Hill and White Creek generation facilities, as well as the John Day pumped storage site. We had a good discussion on the impacts of the current Renewable Portfolio Standard program as well as the relative merits of alternative policies for continuing to reduce greenhouse gas emissions from the electric sector in Washington State. Her membership is pro-renewables, but I thought we had an excellent exchange of ideas and how policies are impacting the front lines of the electric marketplace. It was a good tour and well worth the time. I extended an invitation to speak with others from the coalition and her members. As a side note, National Grid is also a member of Renewable Northwest.

Representative Gina McCabe December 6: The Representative recently went on a sponsored trip to Denmark to observe a “renewable economy” with the intent of bringing back ideas that may be applied here. It was clear that the area they viewed, which was an island, has a much different “economy” than the Pacific Northwest. I took the opportunity to discuss the recent E3 carbon study and much of the same information I discussed with Renewable Northwest. I focused on the negative impacts that an expanded RPS standard would likely have on BPA rates and the erosion that could occur to the region’s low priced electricity advantage relative the rest of the Country. There is a more formal follow-up meeting to her trip being planned for April 14th.

2. **Community Service - Klickitat School Board Tenure:** In November, Beth Schroder attended a Washington State School Directors Association (WSSDA) annual conference in Bellevue. During the conference, various school board members were recognized for their service. Lori Fakesch was recognized for her 30 years of service on the Klickitat School Board. I just wanted to take the opportunity to recognize such a significant contribution of one of our employees to her community.
3. **Bitcoin, Data Mining and Data Center Interest:** As discussed last meeting, we are continuing to receive significant interest from many parties in potentially locating facilities here in Klickitat County. As requested, we have worked on streamlining how we are handling these inquiries. I do suspect that we could have several of these ventures locating here as we have some locations that have infrastructure that is well suited to this use. As requested, we are ensuring our policies are met and that we are not exposing our utility to increased risk given the volatility in this industry sector.
4. **Strategic Plan Implementation:** I am attaching the Strategic Plan for your review. In 2017, we achieved the items that have the most fundamental impact on the utility and our stability. These 2017 action items are in the Maximize the Value of Physical Assets and Financial Responsibility areas:
 - i. We are forecasted to exceed total revenues by \$4 million
 - ii. Completed the 101 Bar Ranches contracts
 - iii. Assisted 101 Bar in receiving their water rights permit
 - iv. Completed the British Petroleum renewable natural gas(RNG) contract
 - v. The RNG project is on course for the August 1st commercial operation date
 - vi. We met or exceeded all Financial Policy goals
- There were however, items that we did not address in 2017. As a result I wanted to assure the Board that we are in a great position to move forward with the strategic plan rollout in early 2018. I am looking forward to being in a better position to focus more on strategic issues and guidance within the utility than in any time in my term as your General Manager. I am looking forward to 2018.
5. **101 Bar Ranches / Goodnoe Station Development Water Supply:** I have continued to meet regularly with Gene Callan and Art Edwards. Their project continues to evolve

and appears to be meeting their expectations for development time schedule. It does appear that this is slightly delayed from their initial plans, but appears sustainable from my perspective. They are preparing for the first payment for the water rights, which is due December 31, 2017.