



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the December 8, 2020 Meeting

AGENDA ITEMS:

- A. 2021 Rate Hearing and Operational Budget Hearing Presentation - We will be conducting a virtual hearing for the first time in our history. Information to access the hearing has been published in the local paper of record and on our website. Press releases were also issued to our normal media outlets.
- B. Resolution 1797: Washington Federal Line of Credit - Mike DeMott is requesting approval of Resolution 1797 to renew our line of credit with Washington Federal. He has secured an option with reduced fees and a lower interest rate option.
- C. 2020 Annual Write-offs - Brandy Myers will provide information regarding our 2020 annual write-offs.
- D. Resolution 1798: 2019 Cancellation of Unclaimed Warrants - Cynthia Bruce is requesting approval of Resolution 1798. This is resolution annually requested to authorize staff to cancel warrants not redeemed within one year of their call date. There are eleven unclaimed warrants totaling \$1,151.46.
- E. Call for Bid: RNG New Blower Equipment - Kevin Ricks is requesting authorization to call for bid on the purchase of new blower equipment. The blower project will assist the project in meeting the goal of increased capacity and discharge pressure.

NON-AGENDA ITEMS:

- 1. **CARES Act funds** – On December 1, staff discussed whether funds are available to be applied to our customers via Klickitat County. County Commissioners support us working directly with Dept. of Commerce and county staff, provided we are talking about funds the county does not utilize. They do not know how much cost they have incurred or what they will be applying to Commerce for reimbursement for.

There are other programs being proposed that we may be able to access for our customers. These programs may provide the opportunity to provide funds that would lessen the financial burden of power bills to some of our customers. Hopefully these can

assist those who have fallen behind.

2. **DNR Update** - The scheduled meeting will occur after this report is submitted so I will update you at the meeting.
3. **MM28 Mediation** - Scheduled for December 15.
4. **Bonneville Power Administration (BPA) Rate Process** - We heard from TEA that BPA may have exceeded its secondary revenue sales forecast by \$200 million in 2020. I have not seen this from BPA yet. BPA did release information on December 1 that they are proposing to keep power rates flat in the next two-year rate period, but that transmission rates may increase more than 11%. These are the starting points for the BP-22 rate period, and they are “averages”. Mike is working with BPA account executives and will see how the current proposals flow through BPA rate models to better determine the impacts on our wholesale power costs. Our initial review indicates that we might see a smaller increase than our 2021 budget assumptions for BPA rates, but there will still be an overall increase from BPA. The formal rate process will conclude in July of 2021 for BPA rates to be implemented October 1, 2021. I will be surprised if these numbers do not get better, so there may be some room to consider this in your retail electric rate deliberations.

The press release is in your board reading packet.

5. **NSC Aluminum** - Brian engaged in a preliminary joint discussion with potential data center developers, the pumped storage developers and NSC aluminum. I would like to continue to utilize Brian in this role if he is willing.

Related to that, I received another request from NSC for an MOU to resolve issues and renegotiate some of our contracts. I had Brian say no “thank you”. We are good with the current settlement contract and our position has not changed since I had lunch with Scott a couple weeks back.