



# Public Utility District No. 1 of Klickitat County

75 Years of Service  
1938-2013

## GENERAL MANAGER'S REPORT TO THE BOARD For the May 26, 2015 Meeting

### AGENDA ITEMS

- A. PRE-QUALIFICATION OF CONTRACTORS – Staff is presenting Dominion Ranch Services LLC of Goldendale WA for the Board's approval to add this contractor to KPUD's Small Works Roster for the 2015 period.
- B. PUBLIC HEARING – Water/Wastewater Rates – The public hearing is scheduled to begin at 3:00pm as advertised. Staff will be prepared to provide a presentation to the public to explain the rate increase requirements for the systems of Lyle, Glenwood, Rimrock, Ponderosa, Wishram, and Cliffs.
- C. RESOLUTION No. 1693 - Water-Wastewater Rates —Following the public rate hearing, the Board will be asked to consider adopting Resolution No. 1693, thereby authorizing the rate increase proposals as submitted by staff for the water and wastewater systems.
- D. EXECUTIVE SESSION: Potential Real Estate Option – Renewable Natural Gas – I would like to discuss the proposed RNG project with the Board in executive session.

### NON-AGENDA ITEMS

1. Mile Marker 28 Fire Update – Odine Husemoen, Dave Quinn, Dan Short and staff drafted and then provided written input to Michael Rollinger at the Attorney General's office with respect to issues with the fire investigation. That letter is attached. Odine Husemoen and Dave Quinn will be following up for us with a face to face meeting with the AG and DNR shortly. I am planning that Odine and Dave attend that meeting on our behalf.
2. Old Highway 8 Fire Update – I updated the Washington PUD Association (WPUDA) General Managers on the Appeals Court ruling and that Paine Hamblin will be filing a Petition for Discretionary review with the Supreme Court. I asked that any utilities interested in supporting or providing input to Paine Hamblin, contact Dan Short directly. Paine Hamblin will be forwarding the petition to WPUDA when it is filed.
3. White Creek – Production during the month of April was down 38% and the project is down 31% year to date. Expenditures are about 1% below budget. I am attaching the monthly report from Bjorn for your reading.
4. Project 78 – We are putting a high level range of potential rates together for the Department of Commerce after they received a further request from the customer. We will be compiling that in the next two weeks.

5. 2006b Bond Refunding -- Staff is continuing work on the Official Statement and the required Resolutions as part of the refunding requirements. We are moving forward at a quick pace, as interest rates have moved up 30 basis points in the past two months. According to Barclays and our financial advisor Alan Dashen, there does not appear to be any particular reason for this movement, other than interest rates are expected to move up later this year.

We are also working on the overarching refinancing package that could include utilizing a tax exempt bank loan in addition to standard tax exempt bonds, as it appears as though the terms are very competitive and the repayment options are very flexible. I would like to discuss our interest rate exposure and how we are planning to mitigate that to the extent possible.

6. Renewable Natural Gas Project – Evaluation of the proposals received is almost done. I am planning to discuss the issues and provide an update in executive session.