



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD

For the **May 26, 2020 Meeting**

AGENDA ITEMS:

- A. Goldendale Energy Storage Project Update – Brian will be present by phone to discuss the status of the project and the related action items he has been working on with National Grid, Rye Development, the Commerce grants and Scott Tillman.

The call with Brian is scheduled for 3:00.

NON-AGENDA ITEMS:

1. **Assistant GM Report** – Gwyn is developing a report for each board meeting as we further define her role. As such, expect it to change and grow. If you have requests for specific information, please let us know.
2. **Puget Sound Energy Contract** – the press releases and the various contacts have been made. We have spoken with Moody's, Fitch, Republic Services and the Governor's office directly. We also sent the release to local officials and our representatives.

Attached is the June Ruralite article for your reference. The press release, project information, and a drone video shot and edited by Brandon Johnson and Beth Schroder are located on our website. I encourage you to watch the video if you haven't already. The links were attached to the press release emails we forwarded to you a couple of weeks ago.

3. **Automated Meter Reading (AMR) Pilot Project** – we are planning to proceed with the budgeted AMR pilot to test communications and develop a proposal to provide to you for an AMR system for a roll out in 2021. I have long opposed AMR as it was too early for us and too early in technology development. I think now is the time. I believe that AMR is one of the most important undertakings that we will do in the next 10 years. It will provide the data and systems that will likely help us form the foundations of our business in the next 20 years.

We need data in order to implement a well-thought-out rate re-design. This will support our customers in their decisions about behind the meter generation and storage, their ability to affect their bills with decisions on load shaping, and the potential for customers to use electric vehicles as battery storage to shape their residential peaks. These systems will allow us to gain this data. They will also have immediate impacts on write-offs and workloads by providing the ability to implement prepaid metering and remote disconnect and reconnect. The likely candidates are cell-based options that allow us to roll into a system as we see fit. These options allow for a minimal up-front investment. With traditional AMR systems there

is a very large up front infrastructure investment required. These ideas and efforts need to enter our strategic plan in more detail in the 2020 strategic plan revision.

4. **Goldendale Pumped Storage Project Update** – as you will note, this is an agenda item. I wanted to include this email string on the work Dave Warren is doing as a consultant to National Grid and Rye Energy. We have him under contract for other work, but the work discussed in the attached emails is to be paid by National Grid. I do not see the need for us to insert ourselves other than providing input, but I wanted you to know about the activities in Olympia regarding the project. Dave continues to represent the local community very well, even when he is not working for us. I see nothing but benefits in his promotion of the project.
5. **Tribal Housing** – we continue to receive inquiries from multiple parties for tribal interests without many details being provided. We are not even sure they aren't different folks asking about the same development or if there is more than one. They seem to be focused on Wishram Heights and we are stating there will likely be significant upgrades to the wastewater plant. We are just making you aware as we are not providing details to real estate agents and the likes. Some are not happy about that so you may be contacted. We will work at a high level with anyone, but we will only work with project principals when discussing system capacities and costs.

The revised general facilities charges and connection fees proposal, along with the related policy changes will be presented to you at the next board meeting. We are pretty much done but we are reviewing the numbers to ensure they are correct.

6. **Employee Updates** – I met with departments, more or less individually, these past two weeks, trying to work within our social distancing guidelines. Our discussions centered around the PSE deal. The intent is to ensure our employees understand what we did and why we did it. The feedback I have received on the subject has been excellent. Great support for your direction and strategic plan.
7. **DNR Fire Mitigation Task Force** – the last two meetings have been cancelled. In part because of the COVID-19 restrictions and in part because the DNR staff has been assigned to support governmental COVID-19 related tasks. There is a meeting or a conference call scheduled for June 25.

The master agreement sub-committee did have its first conference call this past week. Mark Pritchard is the PUD representative.

8. **Employee Safety / Appreciation Banquet** – the event is being postponed due to the current restrictions on meetings.
9. **Potential Micro-Grid Project** – we are working with Klickitat Valley Health, the Goldendale School District, the Goldendale Chamber, Representative Mosbrucker and Dave Warren on what could be anything from supporting KVH in replacing their backup generation through funding applications, to a commercial and community solar project with battery storage and a hydrogen fuel cell demo project. It is still very early and apart from Jonathon Lewis at KVH, the project proponents appear to be “third parties” wanting to do something, looking for someone to do it and looking for the money to do it with.