



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the **October 22, 2019 Meeting**

AGENDA ITEMS:

- A. **Budget Review: First Draft-** (*Nichole*)- staff will present the first draft of the 2020 budget. Budget binders have been prepared and provided to the Commissioners.
- B. **Resolution 1781 – Electric System Revenue and Refunding Bonds-** (*Mike*)- Deanna Gregory with Pacifica Law Group LLP has prepared the draft bond resolution for the bond sale scheduled for October 30th. The final version of the resolution with updated terms of surety should be prepared and available after the Commission Meeting on October 22, 2019.

NON-AGENDA ITEMS:

1. **December Meeting dates** – December 10th and December 24th are the normal meeting dates in December. We are recommending that we move the December 24th Commission meeting back to the 23rd and that we do a short meeting to pay the bills. That meeting can be a phone call as in years past given it is only to pay bills.
2. **Schedule the next two weeks** – I will be in Washington D.C. next week, the week of October 21st. Gwyn will take my place at the Commission meeting. I will be staying on the east coast as the bond pricing and sale will be happening on October 29th and 30th. I will be back in the office on the 31st.
3. **Bond Ratings** – we received confirmation from Fitch that they are maintaining our A-stable rating. We expect Moodies rating Tuesday. I was impressed with the work and the presentations done by both Nichole and Mike. Randy was his usual rock star self. Thanks for traveling Randy, I know your back was killing you.
4. **2019 Bond Sale** – Mike is doing a great job in leading us through the process. He is a quick study and I appreciate his efforts. Nichole has also been invaluable in her work to support the sale as well. Mike will be presenting the bond resolution next meeting. WE may need to recess to a special meeting to approve the Resolution as we are not certain we will have the Surety language by the meeting. If we do need to recess the meeting, we should be able to reconvene via phone.
5. **Solar Installers Meeting Regrading Our Net Metering Policy** – Commissioner Knowles and I drove to Everett last week to meet with three members of the solar installers association. Randy will provide you an update at the meeting.

6. **Department of Commerce Goldendale Energy Storage Project Appropriation** – the original scope of work was recently completed. That is ahead of schedule and was under budget. Brian, Nate and Eric have been discussing the funding scope of work with Commerce and Commerce agreed to allow additional work to be completed, as it still fits under the intent of the appropriation to move the project to a preliminary license application.

A revised scope of work has been submitted to Commerce for review. The change in work will amount to an additional \$120k in work. That would leave \$30k for work that Tom McDonald is being asked to complete on water rights issues. Eric thinks they may be able to get to the final license application in April 2020 with these funds. For information, we have been able to cover Brian's costs with the administrative portion of the Commerce funding.