

A scenic landscape photograph of a large lake, likely Lake Chelan, with mountains in the background. The sky is filled with dramatic, white and grey clouds. The water is calm, reflecting the sky and the surrounding landscape. In the foreground, there is a sandy beach with a large, dark, weathered log or piece of driftwood on the right side. The overall mood is serene and majestic.

Public Power Benefit Program Proposed Funding Changes
June 3, 2024

Why We Are Here Today

- Review current Public Power Benefit Program funding
- Introduce Board feedback from May 20, 2024 meeting
- Financial criteria and funding
- Confirm Board's direction
- Next steps

No formal decisions required today

Current Public Power Benefit Program Funding

- Board approved funding of \$6M per year during current planning cycle (2020-2024)
- Financial criteria used to validate support for annual funding
- Unused funding in each allocation year is not carried forward
- Project proposals are accepted year round
- Committee of District staff and 2 Commissioners meet annually to evaluate and recommend submitted projects to be funded

Board Feedback from May 20

- Desire to continue with the following:
 - Verify annual funding is supported by financial results and future financial projections based on criteria
 - Open solicitation year round
 - Committee of District Staff and 2 Commissioners to evaluate and recommend program submissions for Board approval
- Desire to amend the following:
 - Establish annual program funding based on financial criteria
 - Allow program to carryover unallocated funds
 - Unallocated funds can be deposited in a PPB Program Fund

Financial Criteria and Funding

- Financial criteria used to validate funding includes the following:
 - Look back to audited financial results considering the 5-year average bottom line
 - Look forward to consider District's financial forecast and ability to achieve defined financial metrics as well as a review of the forecast debt ratio trend
- Review of 2025 funding at \$6M meets all financial criteria, including funding in this range for the foreseeable future

Additional Program Recommendations

- Incorporate an annual review of fund balance
 - If Board authorizes a Program Fund, staff recommends adding a fund balance review as part of the annual financial criteria
- Use process for District allocation of staff resources
 - Following the project management discipline process will provide more accurate resource requirements, schedule and budget needs
- Set allocation on an annual basis
 - This will ensure that financial, resource and schedule information is used to inform an allocation recommendation from staff to assist Board in decision making

Confirm Board Direction

- Establish 2025 program funding
 - Staff recommends \$6M
- Establish PPB Program Fund to allow unallocated funds to carryover and be available in future years
- Is there support for the additional program recommendations?
 - Incorporate evaluation of fund balance in financial criteria review
 - Use Project Management Discipline process to determine resource availability and set schedule and final budget
 - Set allocation on an annual basis, dependent on financial criteria and available resources

Next Steps

- Incorporate today's feedback into new Resolution
- Return on June 17th seeking Resolution approval