

**PUBLIC UTILITY DISTRICT NO. 1
OF
BENTON COUNTY**

Date: October 11, 2011
Time: 9:00 a.m.
Place: 2721 West 10th Avenue, Kennewick, Washington

Present-Benton PUD:

Commissioners Sanders, Bertsch and Hall
Assistant General Manager Bartram
Legal Counsel Hultgren
Director of Engineering Dunn
Director of Operations Hunter
Director of Power Management Bickford
Manager of Accounting Meyer
Manager of Communications and Governmental Relations Miller
Manger of Customer Service Ball
Manager of Human Resources Walsh
Manager of Key Accounts McAloon
Manager of Products and Services Johnson
Manager of Risk Management & Treasury White
Supervisor of Executive Administration Cole

Guests: Rich Nall, Northwest Open Access Network; Larry Felton, Bonneville Power Administration

Manager of Customer Service led the pledge of allegiance.

Treasurer's Report

Treasurer reviewed the September 2011 Treasurer's Report. The Commission accepted the September 2011 Treasurer's Report. The counterparty credit and sector reports were distributed and briefly reviewed.

Management Reports

Assistant General Manager:

1. General Manager Jim Sanders is in Washington D.C. with the Public Power Council (PPC) talking to selected congressional delegation members on issues relating to the business of the District and the region.

Director of Operations:

1. An update on AMI meter installations was provided. It was noted that approximately 1,800 meters, including poly phase, three-phase, commercial meters, were all that remained to be installed.
2. The District is working with BPA on scheduled outages in the Finley area and is sending letters out to customers of that schedule.

Director of Power Management:

1. A conservation rebate report for third quarter 2011 was distributed and briefly reviewed.
2. The Frederickson report was distributed and briefly reviewed.

Manager of Customer Service:

1. A team of employees was formed to develop a statement addressing customer privacy issues and treatment of information obtained from customers as part of the District's business. At the next commission meeting, information on a customer privacy rights policy statement will be reviewed.
2. The Commission was informed that the winter moratorium will begin on November 15, 2011, stated in a previous meeting as November 1. A brief discussion was held on the implications of customer debt accumulation during the winter moratorium period, and challenges to customers when the moratorium is lifted.

Consent Agenda

Motion by Lori Sanders, seconded by Jeff Hall to approve the Consent Agenda as follows:

- a) Approving the minutes of the regular Commission Meeting of September 27, 2011.
- b) Approving the minutes of a public hearing on the proposed 2012 budget of October 3, 2011.
- c) Approving the Travel Report dated October 11, 2011.
- d) Approving Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing made available to the Commission. As of this date, the Commission does approve the following for payment: Accounts Payable Automated Clearing House (ACH) payments 7363-7405 in the total amount of \$787,166.28, Warrants (CHK) 50074-50111 and 50166-50211 in the total amount of \$684,012.07, Electronic Fund Transfer (EFT) payments 2555-2561 in the total amount of \$1,495,904.73; Customer Refund (ERM) payments 50112-50165 and 50212-50273 in the total amount of \$34,395.05; Residential Conservation rebates credits on customer accounts \$260.00; Payroll Direct Deposit Advice 09/29/11 31079-31239 in the total amount of \$306,906.53, for a grand total of \$3,308,644.66. Voided ERM in the total amount of \$4,436.46 were included on the report.
- e) Adopting Resolution No. 2143, declaring certain equipment surplus to District needs according to the laws of the State of Washington, Title 54, RCW 54.16.180, and authorizing the General Manager, on behalf of the District, to dispose of same.
- f) Awarding a three year contract for printing services to Esprit Graphic Communications of Kennewick, Washington, Contract No. 11-12-01, for a not-to-exceed amount of \$80,000.00 per year, for a total of \$240,000.00, plus Washington State sales tax in accordance with RCW 54.04.080, with an expiration date of October 10, 2014.
- g) Reviewing Contracts Activity Report to Commission dated October 3, 2011.
- h) Reviewing Quarterly Broadband Service Orders Report dated October 11, 2011.

MOTION CARRIED.

Closing of Public Comment Period on Redistricting of Commissioner Districts/Resolution No. 2142, Adopting New Commissioner Districts

Assistant General Manager stated that the District has not received any public comments on the proposed redistricting options. Commissioners confirmed no public comments were received by

them. Assistant General Manager recommended the Commission adopt Resolution No. 2142, which includes the data and boundaries as identified as the preferred Option 1 at the September 27, 2011 public hearing on redistricting.

Motion by Jeff Hall, seconded by Lori Sanders closing the public comment period regarding redistricting of commissioner districts.

MOTION CARRIED.

Motion by Jeff Hall, seconded by Lori Sanders adopting Resolution No. 2142, adopting new commissioner districts as required to be accomplished every ten years in accordance with RCW 29A.76.

MOTION CARRIED.

Draft Presentation for Customer Rate Information Meetings

Director of Power Management reviewed highlights of the rate presentation to be given to customers at the meeting to be held this evening. Director noted that staff would review customer comments and present a staff rate recommendation to the commission on October 25, 2011, with a recommended action at the November 8, 2011 commission meeting, and an effective date of retail rate changes of January 1, 2012.

Manager of Communications and Governmental Relations handed out talking points to assist commissioners when discussing or receiving questions from the public.


Future Planning

Commissioner Lori Sanders stated she would be an opening speaker at the upcoming annual meeting of IBEW Local 77.

Commissioner Jeff Hall stated he would be attending meetings with the Washington PUD Association (WPUDA) next Thursday.

Commissioner Robert Bertsch stated he would be attending, via conference call, a meeting with the American Public Power Association to discuss issues relating to transmission and FERC authority.

Hearing no objection, President Robert Bertsch adjourned the commission meeting at 9:31 am.



Robert Bertsch, President

ATTEST:



Lori Kays-Sanders, Secretary