

**PUBLIC UTILITY DISTRICT NO. 1
OF
BENTON COUNTY
SPECIAL COMMISSION MEETING**

Date: June 29, 2011

Time: 9:00 a.m.

Place: 314 North Underwood Street, Kennewick, Washington (Tri-City Country Club)

Present – Benton PUD:

Commissioners Sanders, Bertsch and Hall

General Manager Sanders

Assistant General Manager Bartram

Director of Engineering Dunn

Director of Operations Hunter

Director of Power Management Bickford

Manager of Communications and Governmental Relations Miller

Manager of Human Resources Walsh

Administrative Assistant II – Finance and Business Services Henderson

Supervisor of Executive Administration Cole

Guest: Sue Dicile, consultant; Rich Nall, Northwest Open Access Network (NoaNet); Gary Petersen, TRIDEC; Clif Finch, Aequus Consulting

President Robert Bertsch opened the special meeting at 9:00 a.m. and stated the purpose of the meeting was to discuss strategic planning issues for 2012.

Environmental Scanning/Internal Trends

General Manager stated that generally the northwest is doing well taking into consideration the effects of budget constraints and legislative issues affecting other areas of the country.

Assistant General Manager gave a presentation on internal trends relating to customer and load growth, operating costs, capital and debt, bond ratings, power management and conservation, rates, and customer perceptions. General Manager summarized his view of positive internal trends including O&M cost per customer, capital investments, debt structure, and system reliability. Concerns included aging workforce, rising power costs, upward pressure on retail rates, and a projected decline in days cash on hand.

Future of the Tri-Cities Economy


Gary Petersen, Vice-President of Hanford Program for TRIDEC, discussed the future of the Tri-Cities economy as it relates to impacts of Hanford area employment, noting the major impacts would be from Department of Energy and PNNL contractors. Upcoming anticipated lay-offs at Hanford were reviewed. Potential upcoming opportunities to grow the area were discussed. Mr. Petersen thanked General Manager and Director of Engineering for their involvement in the Mid-Columbia Energy Initiative (MCEI) program and also discussed possibilities surrounding energy parks and energy storage.

Commissioner Jeff Hall affirmed the importance of leadership roles and the District's involvement in the community.

At the conclusion of the presentations, General Manager excused staff from attendance at the meeting and a discussion on strategic issues continued with the Commission. It was noted the public meeting continued in open session and public in attendance was informed they could remain.

A general discussion was held on strategic issues moving forward.

Hearing no objection, President Robert Bertsch adjourned the Special Commission Meeting at 3:45 p.m.



Jeff Hall, Vice-President

ATTEST:


Lori Kays-Sanders, Secretary