AGENDA
BENTON COUNTY PUBLIC UTILITY DISTRICT NO. 1
COMMISSION MEETING

Tuesday *March 13, 2018* *9:00 a.m.*
2721 West 10th Ave., Kennewick

1. Pledge of Allegiance

2. Treasurer's Report *(pg.3)*

3. Safety Minute
Info. Only/Levi Lanphear

4. Public Comment
(Public in attendance should read the "Guidelines for Public Participation at Commission Meetings", available the day of the meeting, or at www.bentonpud.org, Guidelines.

5. **APPROVAL OF CONSENT AGENDA**
(All matters listed within the Consent Agenda have been distributed to each member of the Commission for reading and study, are considered to be routine, and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired by any member of the Commission, that item will be removed from the Consent Agenda and placed on the Regular Agenda by request.)

a) Commission Minutes of February 13, 2018. *(pg.5)*
b) Periodic Travel Report dated March 13, 2018. *(pg.12)*
c) Vouchers dated March 13, 2018. *(pg.13)*
d) Periodic Review -- Resolution No. 2441, Authorizing Investment of Monies in the Local Government Investment Pool. *(pg.29)*
e) Periodic Review – Resolution No. 2442, Authorizing the General Manager to Declare a Pandemic Event . *(pg.44)*
f) Periodic Review – Resolution No. 2443, Amending Emergency Response & Restoration Policies. *(pg.51)*
g) Survalent Technology, Software Maintenance and Support for SCADA Software – Contract Award Recommendation. *(pg.68)*
h) Robinson Brothers Construction, Vista & Orchardview Node Cabinet Replacement -- Contract Change Order, Increasing Not-to-exceed amount and extending term. *(pg.72)*
i) Operations Dispatch Monitor Procurement and Installation, Bid Package No. 17-16 – Reject All Bids. *(pg.76)*
j) Asphalt Replacement, Administration Building Parking Lot, Bid Package No. 18-01 – Reject All Bids. *(pg.77)*
k) Annual Community Involvement Update. *(pg.78)*

6. **REPORT FROM MANAGEMENT**

7. **BUSINESS AGENDA**
a) Annual Recognition of Conflict of Interest Requirements – Code of Conduct Acknowledgement, Governance of the Benton PUD Commission
Info. Only/Chad Bartram *(pg.81)*

b) Work Order No. 527436 – Cold Creek Feeder Upgrades
Action Item/Evan Edwards *(pg.94)*

c) Work Order No. 532564 – Metaline Underground Conduit and Vault System Installation
Action Item/Evan Edwards *(pg.97)*

d) Work Order No. 530087 – Metaline Overhead Powerline Relocation
Action Item/Evan Edwards *(pg.99)*

e) DJ's Electrical, Joint Use, NESC Compliance, Cable Replacement and Construction Projects – Contract Change Order
Action Item/Evan Edwards *(pg.102)*

f) Sunheaven to Level 3 Fiber Build – Contract Award Recommendation.
Action Item/Rick Dunn *(pg.105)*

g) Twin City Foods, Authorization to Proceed
Action Item/C. Johnson/T. Mapes *(pg.109)*

h) Milne Fruit Products Authorization
Action Item/C. Johnson/T. Mapes *(pg.112)*

i) Lineage Logistics Authorization
Action Item/C. Johnson/T. Mapes *(pg.115)*

j) 2016-2017 Conservation Achievements Presentation/2018-2019 Preview
Info. Only/T. Mapes *(pg.118)*

k) Review Final Draft of 2017 Annual Financial
Info. Only/J. Meyer/K. Zirker *(pg.119)*

l) Performance Measurement – 4th Quarter 2017 Report
Info. Only/J. Meyer/K. Zirker *(pg.180)*

m) January 2018 Financials
Info. Only/K. Zirker *(pg.208)*

8. Other Business

9. Future Planning

10. Meeting Reports

11. Executive Session

(To request an accommodation to attend a commission meeting due to a disability, contact wennerm@bentonpud.org, or call (509) 582-1227, and the District will make every effort to reasonably accommodate identified needs.)

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON CO., WA.

TREASURER'S REPORT TO COMMISSION FOR FEBRUARY 2018

Mar 1, 2018

FINAL

REVENUE FUND:		RECEIPTS	DISBURSEMENTS	BALANCE
02/01/18	**Cash Balance**			$ 3,700,229.55
	Collections	$ 12,422,663.20		
	Investments Matured	1,716,129.83		
	Miscellaneous - BAB's Subsidy	-		
	Transfer from Debt Service Fund	-		
	EFT Taxes		$ 771,114.43	
	Checks/Warrants Paid		1,181,262.67	
	Debt Service to Unrestricted	-	-	
	Debt Service to Restricted		516,129.83	
	Investments Purchased		2,048,683.43	
	Deferred Compensation		111,394.46	
	Purchase Inv		-	
	Special Fund-Construction Funds		-	
	Purchased Power		7,423,493.62	
	Miscellaneous - Transfer to GA from Bond Fund		-	
	Direct Deposit - Payroll & AP		2,138,042.81	
	Credit Card Fees		28,449.05	
	Miscellaneous		-	
	Sub-total	$ 14,138,793.03	$ 14,218,570.30	
02/28/18	**Cash Balance**			$ 3,620,452.28

Investment Activity	Balance 02/01/18	Purchased	Matured	LGIP Interest	Balance 02/28/18
	$54,447,195.36	2,516,129.83	1,716,129.83	$48,683.43	$55,295,878.79

Check Activity	Balance 02/01/18	Issued	Redeemed	Cancelled*	Balance 02/28/18
	$477,783.42	$1,008,327.11	$1,181,262.67	$129.27	$304,718.59

Unrestricted Reserves:	02/01/18	02/28/18	Change
Minimum Operating Reserves (90 DCOH) Incl. RSA (1)	$ 32,523,811.41	$ 32,523,811.41	$ -
Designated Reserves (Bond Insurance Replacement)	2,612,152.17	2,612,152.17	-
Designated Reserves (Power Market Volatility Account)	3,850,000.00	3,850,000.00	-
Designated Reserves (Special Capital Account)	15,376,052.33	15,376,052.33	-
Designated Reserves (Customer Deposits Account)	1,600,000.00	1,600,000.00	-
Undesignated Reserves (DCOH -1 days) (2)	(462,760.03)	(209,983.70)	252,776.33
Unrestricted Reserves Total	55,499,255.88	55,752,032.21	**252,776.33**
DCOH - (Unrestricted Reserves Total)	154	154	0.46%
Restricted Reserves:			
Bond Reserve Account	1,107,865.13	1,107,865.13	-
Bond Redemption Accounts	1,540,303.90	$2,056,433.73	516,129.83
Restricted Reserves Total	**2,648,169.03**	**3,164,298.86**	**516,129.83**
TOTAL RESERVES	**$ 58,147,424.91**	**$ 58,916,331.07**	**$ 768,906.16**

(1) RSA (Rate Stabilization Account): $7,500,000.00

(2) Undesignated Reserves are periodically reviewed to reallocate to the Designated Reserve accounts

Prepared by: **Kevin K. White, Treasurer**

Certified by: **Jon L. Meyer, Auditor**

CASH & INVESTMENTS SUMMARY

as of February 28, 2018

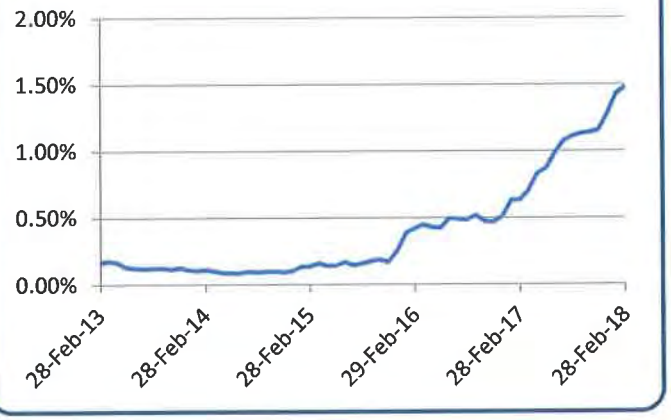
Average Weighted Yield	**1.443%**
Average Days to Maturity	**104**

	Maturity Date	Investment Instrument	Financial Institution	Call Provisions	Yield	Investment Date	Amount
1	21-May-18	FNMA	* Piper Jaffray	Quarterly call beg. 11/21/13	1.00%	21-May-13	2,000,000
2	28-Feb-19	FHLMC	* MBS	One time call 2/28/18	1.38%	28-Feb-17	4,000,000
3	15-May-19	Treas	* TimeValue	Bullet	1.21%	17-Nov-16	1,940,776
4	15-Nov-19	FHLB	* Morgan Stanley	Bullet	1.36%	17-Nov-16	2,000,876
5	19-Dec-19	FFCB	* Piper Jaffray	Bullet	1.95%	22-Dec-17	743,423
6	30-Mar-20	FNMA	* TimeValue	Quarterly call beg. 3/30/17	1.50%	17-Nov-16	1,991,700
					TOTAL SECURITIES		12,676,775
	Daily	LGIP**		N/A	1.474%	Varied	42,619,105
					TOTAL INVESTMENTS		55,295,879
					CASH		3,620,452
					TOTAL CASH & INVESTMENTS		**$ 58,916,331**

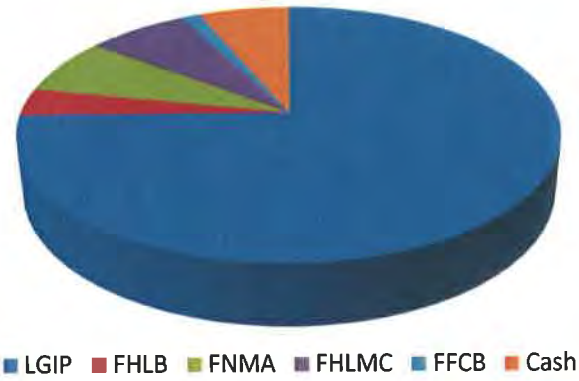
** Held in custody at Wells Fargo Bank*

*** Local Government Investment Pool*

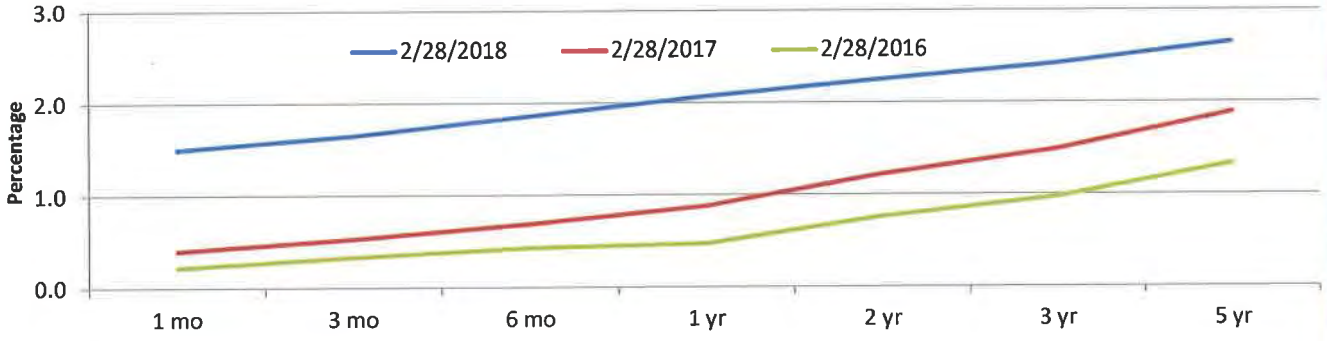
Historical LGIP Rate



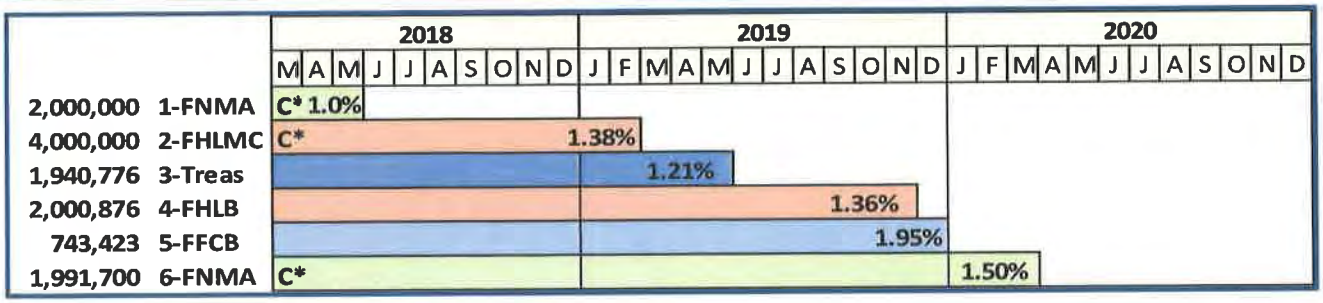
Investment Portfolio



Daily Treasury Yield Curve



Source: http://www.ustreas.gov/offices/domestic-finance/debt-management/interest-rate/yield.shtml



PUBLIC UTILITY DISTRICT NO. 1
OF
BENTON COUNTY

Date: February 13, 2018
Time: 9:00 a.m.
Place: 2721 West 10th Avenue, Kennewick, Washington

Attendees:
Commissioners Bush, Hall and Sanders
General Manager Bartram
Assistant General Manager Hunter
Legal Counsel Hultgrenn
Senior Director of Engineering and Power Management Dunn
Director of Finance Meyer
Director of Customer Programs and Services Ball
Manager of Communications and Governmental Relations Miller
Manager of Contracts & Purchasing Ochweri
Manager of Risk Management & Treasury White
Manager of Human Resources Wenner
Manager of Power Resources Johnson
Manager of Accounting Zirker
Manager of Information Technology Folta
Manager of Applications & Integration Holbrook
Manager of Key Accounts McAloon
Supervisor of Executive Administration Cole
Supervisor of Customer Engineering Irving
Power & Energy Programs Analyst Dykes

Guests: Washington State Auditor's Office: Marcus Nelson and Jose Garcia; Tom Bernard, attending via conference call; Chuck Torelli, customer

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The Pledge of Allegiance was given.

State Auditor's Office – Exit Conference, 2016 Accountability and Legal Compliance Audit; 2016 Energy Independence Act (EIA) Renewable Energy Compliance Audit
Manager of Accounting introduced Marcus Nelson and Jose Garcia of the Washington State Auditor's Office, and Tom Bernard, attending via conference call. Mr. Bernard gave a presentation on the results of the 2016 Energy Independence Act (EIA) Renewable Energy Compliance Audit and concluded the District complied in all material respects with the specified requirements of the EIA. Mr. Nelson gave a powerpoint presentation addressing the 2016 Accountability and Legal Compliance Audit and stated there were no findings, management

letters or exit recommendations. Mr. Nelson stated that the District has received no audit findings for the last 14 years. The next audit is scheduled for Fall 2018 which will be an accountability audit for fiscal year 2017.

General Manager thanked staff for their work in continuing to have successful audits at the District.

Commission President Barry Bush stated that in order to accommodate public in attendance at today's meeting, Business Agenda Item 7d, Resolution No. 2440, Adopting Customer Service Policies, would be moved at the next item on the agenda.

Public Comment

Mr. Chuck Torelli, customer, stated he appreciated the design and information found on the District's website, stating it was very functional and easy to navigate. Commission President Barry Bush noted Karen Miller, Manager of Communications, had lead responsibility for the website.

Resolution No. 2440, Adopting Customer Service Policies

Director of Customer Programs and Services opened the discussion by summarizing efforts that had been taken during the course of developing the proposed Electricity Intensive Load, or EIL, policy. These efforts included discussions with other Washington PUD's that had several years' experience with EIL customers to obtain information about their practices and policies. Staff also participated in a Northwest Public Power Association (NWPPA) webinar about EIL loads that further validated the need to implement the proposed policy.

To further illustrate nearby utility experiences, a couple of documents were shared. Director of Finance distributed an article entitled, "Bitcoin Mania Triggers Miner Influx to Rural Washington" and it was briefly discussed. Director of Customer Programs and Services distributed a letter to customers posted on Chelan PUD's website entitled, "How Bitcoin & Blockchain Operations May Affect Chelan PUD", and a discussion was held. The article and the letter addressed issues with these types of customers that staff has previously discussed with the Commission. This includes increased financial risk as such loads tend to be mobile in nature. They also may be paid in cryptocurrency which has been extremely volatile in recent times. In addition, these customers may be located in areas where the distribution system is not designed to handle the size of load these customers bring, leading to distribution system electrical component failure presenting a safety risk to not only the customer but customers in the same vicinity.

The Commission held a discussion on load impacts and future substation plans.

Director of Customer Programs and Services reviewed the proposed customer service policies relating to Electricity Intensive Loads (EIL), including deposits, applications for service and potential lack of notification, impacts to the District's systems and other customers, and load

monitoring. Director distributed "frequently asked questions" that will be posted on the District's website.

Various customers in attendance discussed EIL policy requirements regarding deposits and discussions were held on defining an EIL-type customer and administering the policies relating to that customer class. One customer suggested that lower rates should be created for EIL customers in order to attract them. Commissioner Barry Bush responded that the District performs a cost of service analysis which allocates costs to customer classes based on cost causation. The District then uses this information to set rates in order to minimize cross subsidization between customer classes. The customer noted that he could easily move his EIL load to another location if lower rates could be found. Commissioner Bush acknowledged that this was the very type of risk the District is addressing with an EIL Policy. Another customer stated that the District should consider that some EIL customers are local residents who intend to stay in the District's service territory.

Director reviewed a change in the District's policy that allows governmental agencies to request a 30 day due date due to their internal payment processes and requirements. Commissioner Lori Sanders asked if the recommended 30 day due date policy could be amended, noting the District will consider the due date change if the entity has a satisfactory payment history.

Motion by Jeff Hall, seconded by Lori Sanders adopting Resolution No. 2440, adopting Customer Service Policies effective February 13, 2018, as amended to include that the District may grant a governmental agency request to extend their payment due date to 30 days if the customer has satisfactory payment history.
MOTION CARRIED UNANIMOUSLY.

Treasurer's Report
Manager of Risk Management and Treasury reviewed the January 2018 Treasurer's Report. The Commission accepted the January 2018 Treasurer's Report. The counterparty and sector reports were distributed and briefly reviewed.

Commission President Barry Bush stated staff has requested the removal of Agenda Items 7a), b), and c) from consideration at today's commission meeting and the Commission concurred.

Consent Agenda
Motion by Lori Sanders, seconded by Jeff Hall to approve the Consent Agenda as follows:
a) Approving Commission Meeting Minutes of January 23, 2018.
b) Approving Periodic Travel Report dated February 13, 2018.
c) 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 (DD) payments 66757-66773 67085-67148 in the total amount of $1,642,085.45, Checks

& Customer Refund payments (CHK) 72952-73072 in the total amount of $873,952.17, Electronic Fund Transfer (WIRE) payments 4396-4418 in the total amount of $8,356,824.84; Residential Conservation Rebates: Credits on Customer Accounts in the total amount of $320.00; Payroll: Direct Deposit 01/25/18 66774-67084 in the total amount of $322,822.98 for a grand total of $11,196,005.44.

d) Adopting Resolution No. 2439, declaring certain transformers, circuit breakers, sectionalizers, circuit switch interrupters and a switch cabinet 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.

e) Approving the amended Designation of Representatives to Various Organizations for 2018, adding the Public Generating Pool, with Chad Bartram as the District's Representative, and Rick Dunn as the District's Alternate Representative for the year 2018, and authorizing Chad Bartram to act on behalf of the District as a board member for the same organization for the year 2018.

f) Authorizing the General Manager, on behalf of the District, to sign Contract Completion and Acceptance for cable replacement projects by Magnum Power, LLC. for Contract No. 17-02, (CPO No. 50663), in the amount of $506,896.49, including tax.

g) Reviewing Jobs Report to Commission dated February 1, 2018.

h) Reviewing 2016-2017 Strategic Plan – Fourth Quarter Report.

MOTION CARRIED UNANIMOUSLY.

At 10:25 a.m., Commission President Barry Bush announced that the commission meeting would recess for 10 minutes.

At 10:35 a.m., Commission President Barry Bush reconvened the commission meeting into regular open public session.

Management Report

General Manager/Manager of Communications and Governmental Relations:

1. The Commission was reminded that the February 27, 2018 commission meeting was previously rescheduled and was not being held due to conflicts with the American Public Power Association legislative conference.
2. The Commission was updated on a meeting held with Governor Inslee.
3. Senior Director of Engineering and Power Management distributed an E3 Study entitled, "Pacific Northwest Low Carbon Scenario Analysis", and a discussion was held.
4. Manager of Communications briefly updated the Commission on legislation of interest and distributed several newspaper articles and a Tri-City Herald Editorial on Governor Inslee's proposed carbon tax bill.
5. Manager of Communications acknowledged and thanked the work of Jodi Henderson, Communications Specialist, who manages the website and its content.

Assistant General Manager:

1. The Commission was informed that unofficially the District was notified that it will likely be awarded the Diamond RP3 designation for the second time. Applications for RP3

designations occur every three years. The award is based on criteria including safety, reliability, system planning and workforce development. An official announcement is expected by the end of April, 2018.

Manager of Power Resources:

1. The District is in the process of purchasing 2016 Renewable Energy Credits (RECs) from Puget Sound Energy.
2. The Commission was informed that Agenda Items 7a,b,c should be removed from consideration at today's meeting, and will be rescheduled for a future meeting.

Manager of Key Accounts:

1. Current enrollment levels in SmartHub were reviewed. The Commission was reminded that the $5 incentive for customers who enroll in SmartHub will be ending at the end of February 2018.

Manager of Human Resources:

1. Safety training with the District's safety committee members and the Supervisors and Managers is scheduled for the end of February.
2. Mandatory on-site training will be held in March on the subjects of anti-harassment and anti-discrimination.

Director of Finance/Manager of Risk Management and Treasury:

1. Two draft amended resolutions were distributed and reviewed -- one on pandemic emergencies and one on emergency response and restoration. The resolutions will be brought for consideration at a future commission meeting.
2. An e-mail from customer Jim Atanasoff, dated February 12, 2018, regarding the District's base charge, was distributed and discussed. Director stated he would follow-up with the customer on his concerns.

Power and Energy Programs Analyst:

1. The current solar bill incentive cap has been replaced with a new cap. Net metering customers will need to re-apply for certification to receive the new incentives. Staff is working with the Energy Office on how to manage the recent changes for the District's customers.
2. A graph showing the District's solar connections program was distributed, and it was noted staff is planning for an expansion of the solar program at the OIE project. The existing customer list of those interested in participating will be used for the interim phase, and additional customers will be invited to apply as the program expands.
3. Analyst thanked Karen Miller, Jodi Henderson and Austin Jones for their work in developing and managing the website relating to the solar programs.

Commission President Barry Bush stated that the 4th Quarter 2017 Performance Measurement Report will be moved to the next commission meeting.

Northwest Open Access Network (NoaNet) – Network Coordinated Services

Senior Director recommended the Commission approve a network coordinated services contract with Northwest Open Access Network (NoaNet). The District has contracted with NoaNet for comprehensive broadband business services since January 2011. The new contract clarifies responsibilities, and includes additional agreed upon services within the work scope to enable NoaNet staff to engage with the District in non-revenue producing activities beneficial to the District's broadband business and to simplify administrative processes related to maintenance and repair activities.

Motion by Jeff Hall, seconded by Lori Sanders authorizing the General Manager, on behalf of the District, to sign a one year contract with Northwest Open Access Network (NoaNet), Contract No., 18-46-02, in substantially the form presented, to provide Network Coordinated Services, in the amount of $857,998, with an option to extend annually up to two additional years.
MOTION CARRIED UNANIMOUSLY.

Senior Director reviewed the broadband summary and noted the average build cost for access internet per site is $4,900.

December 2017 Financials

Director of Finance reviewed the draft unaudited December 2017 financial statements. These statements included a preliminary entry for Governmental Accounting Standards Board (GASB) Statement No. 68 related to pension expense. A draft unaudited Statement of Revenues, Expenses, and Change in Net Position (income statement) for December was distributed that did not include the preliminary GASB 68 entry which provides a better comparison to budgeted amounts, since this entry is not budgeted. Staff will be coming back at a future meeting to present the draft unaudited Comprehensive Annual Financial Report prior to completing the financial audit with Moss Adams.

Other Business

Supervisor of Customer Engineering discussed a customer request to serve 1 aMW of capacity at a house he may purchase, and staff's recommendation to work with the City of Richland on serving the load since they have the facilities nearby. The Commission concurred with staff's recommendation to begin working with the City of Richland on a possible transfer of the service since the property is within the City's urban growth area which will likely be annexed in the near future.

At 11:55 a.m., Commission President Barry Bush announced that the Commission would go into Executive Session for 15 minutes with legal counsel to discuss potential litigation and to also discuss the performance of a public employee.

At 12:10 p.m., Commission President Barry Bush announced that the Commission would reconvene into regular open public session.

Hearing no objection, Commission President Barry Bush adjourned the Commission Meeting at 12:10 p.m.

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Barry A. Bush, President

ATTEST:

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Lori Kays-Sanders, Secretary

DRAFT

Periodic Travel Report - March 13, 2018

Date Start	Business Days	Name	City	Purpose
2/15/2018	1	Dunn, Rick	Seattle, WA	PGP ADMINISTRATIVE COMMITTEE MEETING
3/5/2018	4	Demory, Kristen	Kirkland, WA	CONTENT MANAGER TRAINING
3/11/2018	6	Dobin, John	Pullman, WA	WSU HANDS ON RELAY SCHOOL
3/15/2018	1	Bartram, Chad	Seattle, WA	PGP ADMINISTRATIVE COMMITTEE MEETING
4/8/2018	3	Schafer, John	Tacoma, WA	NWPPA TASK FORCE
4/9/2018	4	Grad, Jessie	Tacoma, WA	NWPPA ENGINEERING AND OPERATIONS CONFERENCE
4/9/2018	4	Brown, Shane	Tacoma, WA	NWPPA ENGINEERING AND OPERATIONS CONFERENCE
4/9/2018	4	McAloon, Christie	Marble Falls, TX	NISC LARGE UTILITY COMMITTEE STRATEGIC MEETING
4/9/2018	4	Holbrook, Jennifer	Marble Falls, TX	NISC LARGE UTILITY COMMITTEE STRATEGIC MEETING
4/9/2018	4	Hollenbeck, Kevin	Tacoma, WA	NWPPA ENGINEERING & OPERATIONS CONFERENCE
4/17/2018	4	Homer, Katie	Chelan, WA	WASHINGTON PUBLIC TREASURERS ASSOCIATION 2018 CONFERENCE
4/26/2018	2	Cramer, Brian	Spokane, WA	VEGETATION MANAGEMENT TRAINING AND ANNUAL ELECTRIC AWARENESS PROGRAM
4/28/2018	5	Schlekewey, Diane	Raleigh, NC	APPA E&O TECHNICIAL CONFERENCE
5/9/2018	3	Bartram, Chad	Spokane, WA	NOANET BOARD MEETING, TELECOM WORKSHOP, AND WPUDA MANAGERS MEETING

PAYMENT APPROVAL
March 13, 2018

The vouchers presented on this Payment Approval Report for approval by the Board of Commissioners have been audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims by officers and employees have been certified as required by RCW 42.24.090.

Type of Payment	Starting #		Ending #	Page #	Amount
Accounts Payable:					
Automated Clearing House (DD) Payments	67305 67505	- -	67349 67564	1 - 2 2 - 4	$ 1,349,888.43
Checks & Customer Refund Payments (CHK)	73073	-	73206	5 - 9	$ 974,805.66
Electronic Fund Transfer (WIRE) Payments	4421	-	4443	10	$ 8,329,970.26
Residential Conservation Rebates:					
Credits on Customer Accounts				11	$ 820.00
Purchase Card Detail:	Jan 2018			12 - 15	
Payroll:					
Direct Deposit - 02/08/18	67149	-	67304		$ 322,527.75
Direct Deposit - 02/22/18	67350	-	67504		$ 369,652.70
Checks (Climbing Allowance) - 02/08/18	600031	-	600055		$ 33,521.45
TOTAL					**$ 11,381,186.25**
Void DD					
Void Checks	73072			5	$ 129.27
Void Wires					$ -

I, the undersigned Auditor of Public Utility District No. 1 of Benton County, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claims identified in this report are just, due and unpaid obligations against the District and that I am authorized to authenticate and certify to said claims.

3/6/18
Jon L. Meyer, Auditor *Date*

Reviewed by:
Chad B. Bartram, General Manager

Approved by:

Barry A. Bush, President

Jeffrey D. Hall, Vice-President

Lori Kays-Sanders, Secretary

Accounts Payable
Check Register

02/05/2018 To 03/04/2018

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
67305	02/07/2018	DD	2872	A W REHN & ASSOC	FSA Medical/Dep Care Admin Fees	193.50
67306	02/07/2018	DD	1736	A W REHN & ASSOCIATES	Flex Spending Health & Dependent Care	3,137.43
67307	02/07/2018	DD	963	ANIXTER INC.	bracket	4,030.70
67308	02/07/2018	DD	811	AUS WEST LOCKBOX	weekly svc	492.10
67309	02/07/2018	DD	1328	CHAD BARTRAM	PPC/PNUCC/General Mgr Mtg	718.02
67310	02/07/2018	DD	3742	EMPLOYMENT SCREENING SERVICES, I	Screening svc	165.00
67311	02/07/2018	DD	3836	EPICOR SOFTWARE CORPORATION	HRMS configuration /implementation	1,897.50
67312	02/07/2018	DD	79	GENERAL PACIFIC, INC.	material	2,275.71
67313	02/07/2018	DD	3018	HRA VEBA TRUST	MSA/VEBA Trust - ER	22,650.00
67314	02/07/2018	DD	1818	IBEW LOCAL 77	IBEW Dues Assessment	7,961.97
67315	02/07/2018	DD	10151	IKEGPS, INC.	travel/onsite training	2,800.00
67316	02/07/2018	DD	888	KAREN MILLER	TC Legislative Rally	311.12
67317	02/07/2018	DD	3343	MOSS ADAMS, LLP	2017 Financial Audit	13,086.00
67318	02/07/2018	DD	1241	PARAMOUNT COMMUNICATIONS, INC.	Global	20,414.13
67319	02/07/2018	DD	3837	PLANETERIA MEDIA LLC	Website hosting	200.00
67320	02/07/2018	DD	587	RAINES ELECTRIC, INC.	amp meter base repair N Lyle St.	518.02
67321	02/07/2018	DD	3696	SUMMIT LAW GROUP, PLLC	Professional Svc	589.50
67322	02/07/2018	DD	10028	SYMETRA LIFE INSURANCE COMPANY	01/18 Life Insurance Policy 01-017112-00	12,393.46
67323	02/07/2018	DD	10047	TRAFFIC MANAGEMENT, INC.	2018 traffic control and signage	690.00
67324	02/07/2018	DD	1163	TYNDALE ENTERPRISES, INC.	Credit - Gaston	479.75
67325	02/07/2018	DD	1048	UNITED WAY OF BENTON & FRANKLIN	EE United Way Contribution	848.96
67326	02/07/2018	DD	2139	UNUM LIFE INS CO OF AMERICA	Long Term Care 02/18	73.40
67327	02/07/2018	DD	3098	US BANK CORPORATE PAYMENT SYST	Travel PCard 01/18	4,356.83
67328	02/07/2018	DD	4168	WALKER & ASSOCIATES INC.	suite license	531.76
67329	02/07/2018	DD	182	WESCO DISTRIBUTION	Material	1,004.77
67330	02/12/2018	DD	36	BENTON PUD - REVOLVING FUND-MAI	01/18 Revolving Fund Admin	449.72
67331	02/12/2018	DD	3098	US BANK CORPORATE PAYMENT SYST	Auto Shop PCard	77,102.43
67332	02/14/2018	DD	963	ANIXTER INC.	Material	32,167.97
67333	02/14/2018	DD	811	AUS WEST LOCKBOX	weekly svc	178.66
67334	02/14/2018	DD	460	CDW GOVERNMENT, INC.	HP laserjet enterprise/paper tray	1,413.90

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02/05/2018 To 03/04/2018

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
67335	02/14/2018	DD	2985	CHINOOK HEATING & AIR, INC.	Low Income - REEP	3,800.00
67336	02/14/2018	DD	3820	COLEMAN OIL COMPANY	gasoline svc	11,668.79
67337	02/14/2018	DD	57	CONSOLIDATED ELECTRICAL DISTRIB	Material	588.45
67338	02/14/2018	DD	2757	RICK DUNN	PPC/PNUCC Mtg	721.48
67339	02/14/2018	DD	3742	EMPLOYMENT SCREENING SERVICES, I	screening svc	110.00
67340	02/14/2018	DD	3175	FRONTIER COMMUNICATIONS NW INC.	monthly billing	2,487.34
67341	02/14/2018	DD	79	GENERAL PACIFIC, INC.	material	12,439.04
67342	02/14/2018	DD	214	JACOBS & RHODES	Low Income - REEP	3,800.00
67343	02/14/2018	DD	103	KENNEWICK, CITY OF	Occupation Tax 01/18	572,637.33
67344	02/14/2018	DD	1580	JONATHAN MEYER	PNUCC Mtg	483.84
67345	02/14/2018	DD	2154	SENSUS USA, INC.	Meters	9,800.06
67346	02/14/2018	DD	3719	TECHNOLOGY FOR ENERGY CORPORA	Powermaster 3302	24,673.94
67347	02/14/2018	DD	1163	TYNDALE ENTERPRISES, INC.	Credit - Tietsort	740.24
67348	02/14/2018	DD	3748	NICHOLAS WALES	Camp Rilea - 3rd Year Training	172.31
67349	02/14/2018	DD	182	WESCO DISTRIBUTION	Material	3,479.54
67505	02/22/2018	DD	2872	A W REHN & ASSOC	COBRA Specific Rights Notice Letter	66.00
67506	02/22/2018	DD	1736	A W REHN & ASSOCIATES, INC.	Flex Spending Health & Dependent Care	3,137.43
67507	02/22/2018	DD	475	ABM JANITORIAL SERVICES	extra janitorial01/02-01/12	1,436.40
67508	02/22/2018	DD	811	AUS WEST LOCKBOX	weekly svc	244.48
67509	02/22/2018	DD	34	BENTON PUD-ADVANCE TRAVEL	Camp Rilea 1st yr Appr Trng Warrenton OR	430.50
67510	02/22/2018	DD	3347	CANON BUSINESS SOLUTIONS, INC.	Mthly Services BH23D	1,135.17
67511	02/22/2018	DD	460	CDW GOVERNMENT, INC.	HP MFP	191.28
67512	02/22/2018	DD	2680	CO-ENERGY	gasoline svc	981.70
67513	02/22/2018	DD	2972	COMPUNET, INC.	credit - inv #103240	183.14
67514	02/22/2018	DD	57	CONSOLIDATED ELECTRICAL DISTRIB	material	24,070.76
67515	02/22/2018	DD	3167	COOPERATIVE RESPONSE CENTER, INC	voice data/phone svc	8,252.29
67516	02/22/2018	DD	339	DELL MARKETING CORP	Optiplex 7050	1,413.16
67517	02/22/2018	DD	596	DESIGNER DECAL, INC.	transformer decals	2,357.38
67518	02/22/2018	DD	2757	RICK DUNN	NoaNet Board Meeting	159.94
67519	02/22/2018	DD	3742	EMPLOYMENT SCREENING SERVICES, I	Screening Svc	140.00

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
67520	02/22/2018	DD	3836	EPICOR SOFTWARE CORPORATION	consulting svc	412.50
67521	02/22/2018	DD	2675	G & W ELECTRIC COMPANY	Relays	16,318.23
67522	02/22/2018	DD	79	GENERAL PACIFIC, INC.	mast arm for wood pole	967.62
67523	02/22/2018	DD	3969	GPS INSIGHT, LLC	monitoring svc	1,755.60
67524	02/22/2018	DD	88	GRAYBAR ELECTRIC CO, INC.	Powerstream	2,256.82
67525	02/22/2018	DD	2087	H2 PRECAST, INC.	vault base/duct/lid	20,634.00
67526	02/22/2018	DD	3171	JODI HENDERSON	WPUDA Assoc Meeting Olympia WA	717.80
67527	02/22/2018	DD	3205	HIGH DESERT GLASS, LLC	REEP	222.09
67528	02/22/2018	DD	1818	IBEW LOCAL 77	IBEW Part-Time Dues Assessment	31.25
67529	02/22/2018	DD	990	INSIGHT PUBLIC SECTOR INC.	Essentials Suite	3,323.16
67530	02/22/2018	DD	98	KELLEY'S TELE-COMMUNICATIONS, IN	paging svc	42.06
67531	02/22/2018	DD	103	KENNEWICK, CITY OF	Mthly Invoice	1,063.14
67532	02/22/2018	DD	2027	KUFFEL, HULTGRENN, KLASHKE AND	Attorney Services	3,969.30
67533	02/22/2018	DD	279	LANGUAGE LINE SERVICE, INC.	Interpretation svc	183.67
67534	02/22/2018	DD	3644	LOOMIS	safepoint svc	1,219.91
67535	02/22/2018	DD	950	MSA VEBA TRUST	Retiree Subsidy	1,080.00
67536	02/22/2018	DD	3821	NISC	Mapwise GIS Training/Open API AVL	56,638.74
67537	02/22/2018	DD	919	NOANET	Franklin POP	1,691.00
67538	02/22/2018	DD	286	NORTH COAST ELECTRIC COMPANY	material	1,814.97
67539	02/22/2018	DD	3162	ONLINE INFORMATION SERVICES, INC.	Online utility exchange	1,253.70
67540	02/22/2018	DD	1241	PARAMOUNT COMMUNICATIONS, INC.	Speciality Mobility	49,887.92
67541	02/22/2018	DD	2154	SENSUS USA, INC.	professional svc	7,602.00
67542	02/22/2018	DD	219	STONEWAY ELECTRIC SUPPLY	Material	287.79
67543	02/22/2018	DD	10047	TRAFFIC MANAGEMENT, INC.	traffic control and signage	540.00
67544	02/22/2018	DD	1163	TYNDALE ENTERPRISES, INC.	Clothing - Grad	529.41
67545	02/22/2018	DD	1048	UNITED WAY OF BENTON & FRANKLIN	EE United Way Contribution	848.96
67546	02/22/2018	DD	272	UTILITIES UNDERGROUND LOCATION	excavation svc	602.43
67547	02/22/2018	DD	182	WESCO DISTRIBUTION	Position Mount	4,243.91
67548	02/28/2018	DD	963	ANIXTER INC.	material	7,779.51
67549	02/28/2018	DD	811	AUS WEST LOCKBOX	weekly svc	21.94

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
67550	02/28/2018	DD	34	BENTON PUD-ADVANCE TRAVEL	Employer's Meeting and EUSAC	111.00
67551	02/28/2018	DD	3347	CANON BUSINESS SOLUTIONS, INC.	Mthly Services BH1MZ	395.88
67552	02/28/2018	DD	57	CONSOLIDATED ELECTRICAL DISTRIB	wall pack	4,720.84
67553	02/28/2018	DD	3742	EMPLOYMENT SCREENING SERVICES, I	Screening Svc	50.00
67554	02/28/2018	DD	3175	FRONTIER COMMUNICATIONS NW INC.	monthly billing	2,514.64
67555	02/28/2018	DD	88	GRAYBAR ELECTRIC CO, INC.	Drop Cables	3,010.21
67556	02/28/2018	DD	1632	INTERCONTINENTAL EXCHANGE, INC.	Ice Trade Vault Charges 01/18	411.00
67557	02/28/2018	DD	2581	KEMA, INC	Cascade software support renewal	15,557.23
67558	02/28/2018	DD	1098	MARSH USA INC.	Railroad Protective Liability	3,000.00
67559	02/28/2018	DD	585	PARADISE BOTTLED WATER CO.	Monthly Billing	1,861.78
67560	02/28/2018	DD	2605	SEBRIS BUSTO JAMES	Employment Advisory	180.00
67561	02/28/2018	DD	10028	SYMETRA LIFE INSURANCE COMPANY	02/18 Life Insurance	13,516.49
67562	02/28/2018	DD	1163	TYNDALE ENTERPRISES, INC.	Clothing - Hoegh	182.01
67563	02/28/2018	DD	575	WELLS FARGO BANK	03/18 Insurance	202,623.74
67564	02/28/2018	DD	182	WESCO DISTRIBUTION	Blade Anchor	8,879.88

Total Payments for Bank Account - 1 :	(105)	1,349,888.43
Total Voids for Bank Account - 1 :	(-1)	0.00
Total for Bank Account - 1 :	(105)	1,349,888.43

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Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
73072	01/31/2018	CHK	99999	ADRIAN ZEPEDA	Credit Balance Refund	129.27VOID
73073	02/07/2018	CHK	3344	BOYD'S TREE SERVICE, LLC	tree timming svc	10,430.24
73074	02/07/2018	CHK	10147	JOHN CLEMENT	Ice Harbor Dam Photo	638.70
73075	02/07/2018	CHK	3439	DJ'S ELECTRICAL, INC.	NESC Compliance & Cable Replacement	124,683.64
73076	02/07/2018	CHK	10054	KRIEGMAN LAW OFFICE, PLLC	Professional Svc	1,043.20
73077	02/07/2018	CHK	118	NORTHWEST PUBLIC POWER ASSOCIA	Eng Webinar Series	2,250.00
73078	02/07/2018	CHK	2176	PACIFIC OFFICE AUTOMATION, INC.	monthly billing	119.18
73079	02/07/2018	CHK	141	RICHLAND, CITY OF	800 mhz usage fee	6,192.66
73080	02/07/2018	CHK	3546	SYLVIA'S INTERPRETING/TRANSLATIO	translation svc	75.00
73081	02/07/2018	CHK	992	VERIZON NORTHWEST	monthly billing	901.35
73082	02/07/2018	CHK	174	WASH STATE DEPT EMPLOYMENT SEC	Q4 2017 UI Tax Administration	1,649.64
73083	02/07/2018	CHK	171	WASH STATE DEPT RETIREMENT SYS	PERS Plan 2 & 3 Employee Contribution	109,430.33
73084	02/07/2018	CHK	437	WASH STATE DEPT SUPPORT REGIST	Garnishment - Child Support	950.00
73085	02/07/2018	CHK	172	WASH STATE DEPT TRANSPORTATION	plan review/aerial power	45.37
73086	02/07/2018	CHK	100	WASTE MANAGEMENT OF WASHINGT	monthly billing	1,104.96
73087	02/07/2018	CHK	99999	JUAN C AMAYA	Credit Balance Refund	315.00
73088	02/07/2018	CHK	99999	KURT AZELTINE	Credit Balance Refund	37.90
73089	02/07/2018	CHK	99999	DEVIN BRANDON-PERRINE	Credit Balance Refund	46.28
73090	02/07/2018	CHK	99999	LUIS MARIO CHAVEZ OCHOA	Credit Balance Refund	261.10
73091	02/07/2018	CHK	99999	PAUL J CUTINELLA	Credit Balance Refund	70.13
73092	02/07/2018	CHK	99999	STEVE M DODGE	Credit Balance Refund	24.56
73093	02/07/2018	CHK	99999	CAMERON HOLMES	Credit Balance Refund	105.99
73094	02/07/2018	CHK	99999	DANIEL MASTERSON	Credit Balance Refund	48.17
73095	02/07/2018	CHK	99999	MEGAN MCCOMBS	Credit Balance Refund	17.39
73096	02/07/2018	CHK	99999	DIEGO OBANDO	Credit Balance Refund	124.85
73097	02/07/2018	CHK	99999	KARLA OCASIO	Credit Balance Refund	64.15
73098	02/07/2018	CHK	99999	ANDRE OLIVEIRA	Credit Balance Refund	87.05
73099	02/07/2018	CHK	99999	MELLISA VALENCIA	Credit Balance Refund	43.52
73100	02/07/2018	CHK	99999	JOSHUA VASILE	Credit Balance Refund	96.68
73101	02/07/2018	CHK	39	BENTON COUNTY	SEPA - Environmental Study	300.00

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Bank Account: 2 - BPUD Accounts Payable Warrants

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73102	02/14/2018	CHK	506	A-CORE OF WASHINGTON	flat sawing	162.90
73103	02/14/2018	CHK	3702	AIR-TIGHT REMODELING	REEP	375.00
73104	02/14/2018	CHK	2425	AT&T MOBILITY	monthly billing	107.17
73105	02/14/2018	CHK	259	BENTON FRANKLIN COMMUNITY ACTI	Helping Hands	1,855.01
73106	02/14/2018	CHK	38	BENTON PUD - REVOLVING FUND-PRO	01/18 Revolving Fund	82.00
73107	02/14/2018	CHK	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	7,132.45
73108	02/14/2018	CHK	2988	BRUCE HEATING & AIR CONDITIONING	HP 2 check - no heat	293.85
73109	02/14/2018	CHK	32	CITY OF BENTON CITY	Occupation Tax 01/18	15,797.77
73110	02/14/2018	CHK	2831	CORRECTIONAL INDUSTRIES	Signs,chair	1,993.51
73111	02/14/2018	CHK	2450	D. HITTLE & ASSCOCIATES, INC.	professional svc	7,698.00
73112	02/14/2018	CHK	3029	DELTA HEATING & COOLING, INC.	REEP	4,900.00
73113	02/14/2018	CHK	75	FRANKLIN PUD	CWPU Membership Assessment	1,032.26
73114	02/14/2018	CHK	3758	KENNEWICK AMERICAN LEGION BASE	Field Sign Advertising	250.00
73115	02/14/2018	CHK	2176	PACIFIC OFFICE AUTOMATION, INC.	monthly billing	59.49
73116	02/14/2018	CHK	962	PACIFIC POWER	monthly billing	319.15
73117	02/14/2018	CHK	128	PERFECTION GLASS, INC.	REEP	4,421.69
73118	02/14/2018	CHK	135	PROSSER, CITY OF	Occupation Tax 01/18	44,757.82
73119	02/14/2018	CHK	10120	PUBLIC GENERATING POOL	entrance fee/annual assessment	56,250.00
73120	02/14/2018	CHK	1592	REESE CONCRETE PRODUCTS MFG. INC	vault base/lid w hatch	16,561.50
73121	02/14/2018	CHK	141	RICHLAND, CITY OF	01/18 Occupation Tax	2,027.76
73122	02/14/2018	CHK	149	SMITH INSULATION, INC.	REEP	975.72
73123	02/14/2018	CHK	702	TESSCO	software defined managed serial radio	3,495.96
73124	02/14/2018	CHK	2482	TITAN TRUCK EQUIPMENT COMPANY,	Hitch Mount/Receiver	4,368.46
73125	02/14/2018	CHK	172	WASH STATE DEPT TRANSPORTATION	Utility Permit	439.13
73126	02/14/2018	CHK	99999	BOUTIQUE 627	Credit Balance Refund	208.66
73127	02/14/2018	CHK	99999	HELEN E BRUCKNER	Credit Balance Refund	147.16
73128	02/14/2018	CHK	99999	E J FAUGHT	Credit Balance Refund	198.46
73129	02/14/2018	CHK	99999	ERIC HARWOOD	Credit Balance Refund	25.91
73130	02/14/2018	CHK	99999	JOHN T MORRIS	Credit Balance Refund	43.68
73131	02/14/2018	CHK	99999	ANTONIO RAMIREZ	Credit Balance Refund	58.25

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Bank Account: 2 - BPUD Accounts Payable Warrants

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73132	02/14/2018	CHK	99999	ALEXIS RUCKER	Credit Balance Refund	77.88
73133	02/14/2018	CHK	99999	ROSALVA D VILLANUEVA	District Claim	2,138.66
73134	02/14/2018	CHK	99999	MELVA J VOGEL	Credit Balance Refund	170.36
73135	02/14/2018	CHK	99999	NORMAN J WHITE	Credit Balance Refund	54.86
73136	02/22/2018	CHK	258	APOLLO MECHANICAL CONTRACTORS	REEP	700.00
73137	02/22/2018	CHK	771	BENTON FRANKLIN COUNCIL	2018 BFCG Membership Assessment	6,656.00
73138	02/22/2018	CHK	614	BOB RHODES HEATING & AC, INC.	REEP	500.00
73139	02/22/2018	CHK	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Service	18,610.12
73140	02/22/2018	CHK	2988	BRUCE HEATING & AIR CONDITIONING	Water Leak	178.47
73141	02/22/2018	CHK	138	CCR - TRI-CITIES ,LLC	advertising	1,360.00
73142	02/22/2018	CHK	166	CENTURYLINK	monthly billing	429.66
73143	02/22/2018	CHK	3520	CI INFORMATION MANAGEMENT	storage	261.63
73144	02/22/2018	CHK	454	COLUMBIA/SNAKE RIVER IRRIGATORS	2018 Membership Dues (Jan-Jul)	2,200.00
73145	02/22/2018	CHK	2297	DOUBLE RADIUS, INC.	Material	2,968.30
73146	02/22/2018	CHK	3478	FP MAILING SOLUTIONS	Postage Meter Deposit 2018-3	5,000.00
73147	02/22/2018	CHK	75	FRANKLIN PUD	Fiber Circuits	1,290.00
73148	02/22/2018	CHK	374	HOWARD INDUSTRIES, INC.	Inventory	88,574.16
73149	02/22/2018	CHK	233	INTERMOUNTAIN WEST INSULATION	REEP	292.32
73150	02/22/2018	CHK	99	KIE SUPPLY CORP	material	32,162.98
73151	02/22/2018	CHK	10055	LOGMEIN USA, INC.	webinar svc/remote support	511.80
73152	02/22/2018	CHK	310	MOON SECURITY SERVICES, INC.	monthly billing	677.08
73153	02/22/2018	CHK	2176	PACIFIC OFFICE AUTOMATION, INC.	monthly billing	439.30
73154	02/22/2018	CHK	1592	REESE CONCRETE PRODUCTS MFG. INC	vault base/pad	19,656.60
73155	02/22/2018	CHK	1682	CHARLES SEGER	Safety Shoes	240.00
73156	02/22/2018	CHK	149	SMITH INSULATION, INC.	LIECP	2,604.60
73157	02/22/2018	CHK	3182	TECHNOLOGY UNLIMITED, INC.	Trifold Single Station	48.82
73158	02/22/2018	CHK	163	TRI CITY HERALD	advertising weatherization workshop	1,018.34
73159	02/22/2018	CHK	193	UNITED PARCEL SERVICE OF AMERICA	mailing service	204.90
73160	02/22/2018	CHK	212	US BANK OF WASHINGTON N.A.	2018 Banking Service	77.45
73161	02/22/2018	CHK	992	VERIZON NORTHWEST	Monthly Billing	887.74

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Bank Account: 2 - BPUD Accounts Payable Warrants

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73162	02/22/2018	CHK	332	WAGNER SMITH EQUIPMENT CO.	Inventory	8,070.21
73163	02/22/2018	CHK	171	WASH STATE DEPT RETIREMENT SYS	PERS Plan 2 & 3 Employee Contribution	100,792.14
73164	02/22/2018	CHK	437	WASH STATE DEPT SUPPORT REGIST	Garnishment - Child Support	906.75
73165	02/22/2018	CHK	575	WELLS FARGO BANK	Investment Safekeeping Services	750.00
73166	02/22/2018	CHK	99999	GABRIELLE L BENSON	Credit Balance Refund	82.06
73167	02/22/2018	CHK	99999	ASHLEY BURNSIDE	Credit Balance Refund	49.81
73168	02/22/2018	CHK	99999	CATHERINE DAYHOFF	Credit Balance Refund	26.39
73169	02/22/2018	CHK	99999	LACEY JOHNS	Credit Balance Refund	100.00
73170	02/22/2018	CHK	99999	ANA MARTINEZ LEON	Credit Balance Refund	12.02
73171	02/28/2018	CHK	215	ALLAN ELECTRIC	Outside pole light repaired	525.62
73172	02/28/2018	CHK	2425	AT&T MOBILITY	monthly billing	5.44
73173	02/28/2018	CHK	35	BENTON PUD - CUSTOMER ACCOUNT D	monthly billing	710.13
73174	02/28/2018	CHK	37	BENTON PUD - REVOLVING FUND-OPE	Revolving Fund Ops 02/18	25.00
73175	02/28/2018	CHK	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	12,621.51
73176	02/28/2018	CHK	10158	BUD CLARY CHEVROLET, CADILLAC, I	2018 Vehicle	32,514.58
73177	02/28/2018	CHK	243	FEDERAL EXPRESS CORP	Mailing Service	109.23
73178	02/28/2018	CHK	77	FRONTIER FENCE, INC.	Installation of Chain Link Commercial	20,775.18
73179	02/28/2018	CHK	374	HOWARD INDUSTRIES, INC.	Inventory	103,778.16
73180	02/28/2018	CHK	103	KENNEWICK, CITY OF	WEC Agreement Rebate	43,009.81
73181	02/28/2018	CHK	1592	REESE CONCRETE PRODUCTS MFG. INC	pad w/knockout	3,475.20
73182	02/28/2018	CHK	141	RICHLAND, CITY OF	Fiber Lease	4,551.31
73183	02/28/2018	CHK	1482	SILVER BOW ROOFING, INC.	roof repairs	5,701.50
73184	02/28/2018	CHK	193	UNITED PARCEL SERVICE OF AMERICA	mailing service	32.94
73185	02/28/2018	CHK	212	US BANK CREDIT REFERENCE SERVICE	Banking Fee - LRD-065695	25.00
73186	02/28/2018	CHK	1304	US CELLULAR	monthly billing	112.03
73187	02/28/2018	CHK	4235	WATER STREET PUBLIC AFFAIRS, LLC	Lobbying/Consulting	5,731.31
73188	02/28/2018	CHK	99999	TRAVIS CLEMMONS	Credit Balance Refund	198.33
73189	02/28/2018	CHK	99999	AMY T COLLINS	Credit Balance Refund	180.71
73190	02/28/2018	CHK	99999	RICHARD DAGUL	Credit Balance Refund	32.01
73191	02/28/2018	CHK	99999	AMY A FISHER	Credit Balance Refund	87.71

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Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
73192	02/28/2018	CHK	99999	ALEJANDRO GARCIA	Credit Balance Refund	23.13
73193	02/28/2018	CHK	99999	EARL M KAHL	Credit Balance Refund	32.70
73194	02/28/2018	CHK	99999	CARLOS ALBERT LLAMAS	Credit Balance Refund	20.62
73195	02/28/2018	CHK	99999	GUADALUPE ORTEGA CAMPOS	Credit Balance Refund	78.48
73196	02/28/2018	CHK	99999	SARAH E PALAZUELOS	Credit Balance Refund	73.11
73197	02/28/2018	CHK	99999	RONALD N PHILLIPS	Credit Balance Refund	273.69
73198	02/28/2018	CHK	99999	JOSE ROMERO	District Claim - Romero	1,162.00
73199	02/28/2018	CHK	99999	DAVID R SCANTLIN	Credit Balance Refund	37.27
73200	02/28/2018	CHK	99999	RODNEY L SHOEMAKER	Credit Balance Refund	98.81
73201	02/28/2018	CHK	99999	KURT R SONDERMAN	Credit Balance Refund	12.00
73202	02/28/2018	CHK	99999	CLAY STRODE	Credit Balance Refund	32.49
73203	02/28/2018	CHK	99999	JOHNETTE SULLIVAN	Credit Balance Refund	88.86
73204	02/28/2018	CHK	99999	SCOTT A WEAVER	Credit Balance Refund	445.46
73205	02/28/2018	CHK	99999	LEAH WILLIAMS	Credit Balance Refund	57.43
73206	02/28/2018	CHK	99999	JOSE ZARATE PEREZ	Credit Balance Refund	189.73

Total Payments for Bank Account - 2 :	(134)	974,805.66
Total Voids for Bank Account - 2 :	(0)	129.27
Total for Bank Account - 2 :	(135)	974,934.93
Grand Total for Payments :	(239)	2,324,694.09
Grand Total for Voids :	(0)	129.27
Grand Total :	(240)	2,324,823.36

Accounts Payable
Check Register

ALL

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4421	02/08/2018	WIRE	1567	ICMA RETIREMENT CORP	Deferred Comp -ER	57,232.99
4422	02/08/2018	WIRE	2205	UNITED STATES TREASURY	Federal Income Tax & FICA	138,897.00
4427	02/13/2018	WIRE	1290	BONNEVILLE POWER ADMINISTRATIO	Fiber Bill	4,000.00
4428	02/05/2018	WIRE	10084	CITI MERCHANT SERVICES	01/18 Merchant Fees	27,966.25
4429	02/07/2018	WIRE	3844	MACQUARIE ENERGY N. AMERICA TRA	Purchased Gas 01/18	6,950.20
4430	02/15/2018	WIRE	2570	THE ENERGY AUTHORITY, INC.	Purchased Power 01/18	120,773.44
4432	02/21/2018	WIRE	2902	WHITE CREEK WIND I, LLC	Power Purchase 01/18	21,526.00
4433	02/22/2018	WIRE	3522	FIBERSTORE CO., LTD	Transceiver	1,029.00
4434	02/22/2018	WIRE	2800	LL&P WIND ENERGY, INC.	Purchased Power 01/18	42,522.93
4435	02/22/2018	WIRE	2205	UNITED STATES TREASURY	Federal Income Tax & FICA	148,739.56
4436	02/22/2018	WIRE	1821	FREDERICKSON POWER L.P.	Purchased Gas 01/18	669,461.25
4437	02/22/2018	WIRE	1567	ICMA RETIREMENT CORP	Deferred Comp - ER	54,161.47
4438	02/23/2018	WIRE	169	ENERGY NORTHWEST	Rattlesnake Mt O&M	12,306.38
4440	02/27/2018	WIRE	246	BONNEVILLE POWER ADMIN	Purchased Power 01/18	6,406,775.00
4441	02/26/2018	WIRE	933	POWEREX CORPORATION	Purchased Gas 01/18	133,668.12
4442	02/27/2018	WIRE	424	WASH STATE DEPT REVENUE-EXCISE T	Excise Tax 01/18	483,477.87
4443	02/28/2018	WIRE	10052	JACK HENRY & ASSOCIATES, INC.	Merchant Serv	482.80

Total for Bank Account - 1 :	(17)	8,329,970.26
Grand Total :	(17)	8,329,970.26

BENTON PUD - RESIDENTIAL CONSERVATION REBATE DETAIL

Date	Customer	Rebate Amount	Rebate Description
02/08/2018	Barraza, Paz	$ 20.00	Rebate - Energy Star Clothes Washer
02/08/2018	Jones, Todd	$ 20.00	Rebate - Energy Star Clothes Washer
02/08/2018	Jones, Todd	$ 50.00	Rebate - Energy Star Clothes Dryer
02/08/2018	Lien, Shannon	$ 500.00	Rebate - Energy Star Water Heater
02/13/2018	Lilyblade, Christopher	$ 20.00	Rebate - Energy Star Clothes Washer
02/13/2018	Lilyblade, Christopher	$ 50.00	Rebate - Energy Star Clothes Dryer
02/22/2018	Scharnhorst, Howard	$ 20.00	Rebate - Energy Star Clothes Washer
02/22/2018	Scharnhorst, Howard	$ 50.00	Rebate - Energy Star Clothes Dryer
02/22/2018	Martinez, Jennica	$ 20.00	Rebate - Energy Star Clothes Washer
02/23/2018	Johnson, Norman	$ 20.00	Rebate - Energy Star Clothes Washer
02/23/2018	Johnson, Norman	$ 50.00	Rebate - Energy Star Clothes Dryer

$	820.00

Payment Date	Department	Payment Amount	Vendor Name	Description	Transaction Amount	GL Account	Dept	Activity
2018/01/15	AUTO SHOP	$90.44	ALTEC INDUSTRIES, INC	#176, switch & joy stick	$90.44	184.12	37	16
2018/01/15	AUTO SHOP	$9.84	JIMS PACIFIC GARAGES	#176, elbow fitting	$9.84	184.12	37	16
2018/01/15	AUTO SHOP	$153.53	CORWIN FORD TRI-CITIES	#180, pulley & belts	$153.53	184.12	37	16
2018/01/15	AUTO SHOP	($45.91)	LANDMARK FORD LINCOLN	credit, part return	($45.91)	184.12	37	16
2018/01/15	AUTO SHOP	($13.02)	PASCO A-PTS 0027915	credit, part return	($13.02)	184.12	37	16
2018/01/15	AUTO SHOP	$68.07	PASCO A-PTS 0027915	#187, air filter	$68.07	184.12	37	16
2018/01/15	AUTO SHOP	$36.32	JIMS PACIFIC GARAGES	#187, fuel filter	$36.32	184.12	37	16
2018/01/15	AUTO SHOP	($78.91)	CORWIN FORD TRI-CITIES	credit, part return	($78.91)	184.12	37	16
2018/01/15	AUTO SHOP	$58.49	CORWIN FORD TRI-CITIES	#180, tensioner	$58.49	184.12	37	16
2018/01/15	AUTO SHOP	$144.88	CORWIN FORD TRI-CITIES	#180, water pump	$144.88	184.12	37	16
2018/01/15	AUTO SHOP	($68.42)	PASCO A-PTS 0027915	credit, core return	($68.42)	184.12	37	16
2018/01/15	AUTO SHOP	$52.06	PASCO A-PTS 0027915	Diesel exhaust fluid	$52.06	184.12	37	16
2018/01/15	AUTO SHOP	$4.52	DESERT BUICK GMC INC	#158, connector	$4.52	184.12	37	16
2018/01/15	AUTO SHOP	$55.38	ALTEC INDUSTRIES, INC	#176, placards	$55.38	184.12	37	16
2018/01/15	AUTO SHOP	$132.78	LANDMARK FORD LINCOLN	brake clean, washer fluid	$132.78	184.12	37	16
2018/01/15	AUTO SHOP	$496.30	THE HOME DEPOT #4739	shop tool, 20v tools	$496.30	184.12	37	14
2018/01/15	AUTO SHOP	$220.86	PAPE MATERIAL HANDLING	#139, washer pump	$220.86	184.12	37	16
2018/01/15	AUTO SHOP	$466.72	CENTRAL HOSE & FITTINGS,	tr1104, pipe swivel	$466.72	184.12	37	16
2018/01/15	AUTO SHOP	$221.50	PASCO A-PTS 0027915	#175, shocks	$221.50	184.12	37	16
2018/01/15	AUTO SHOP	$908.53	SOL*SNAP-ON INDUSTRIAL	tool, multiplier & socket	$908.53	184.12	37	14
2018/01/15	AUTO SHOP	$61.78	CENTRAL HOSE & FITTINGS,	#82, hyd swivel	$61.78	184.12	37	16
2018/01/15	AUTO SHOP	$13.10	PASCO A-PTS 0027915	#171, fuel cap	$13.10	184.12	37	16
2018/01/15	AUTO SHOP	$1,675.92	COMMERCIAL CENTER	#171, 6-19.5 tires	$1,675.92	184.12	37	16
2018/01/15	AUTO SHOP	($366.50)	LANDMARK FORD LINCOLN	credit, part return	($366.50)	184.12	37	16
2018/01/15	AUTO SHOP	($295.61)	PASCO A-PTS 0027915	credit, core return	($295.61)	184.12	37	16
2018/01/15	AUTO SHOP	$679.30	LANDMARK FORD LINCOLN	#196, running board & flare	$679.30	184.12	37	16
2018/01/15	AUTO SHOP	$313.80	PASCO A-PTS 0027915	171, tensioner, pump & belt	$313.80	184.12	37	16
2018/01/15	AUTO SHOP	$50.16	M & M BOLT CO	nuts & bolts	$50.16	184.12	37	16
2018/01/15	AUTO SHOP	$2,610.45	VERSALIFT NORTHWEST, L.L.	#73, bucket	$2,610.45	184.12	37	16
2018/01/15	AUTO SHOP	($262.25)	PASCO A-PTS 0027915	credit, part return	($262.25)	184.12	37	16
2018/01/15	AUTO SHOP	$325.31	PASCO A-PTS 0027915	filters, paint pen	$325.31	184.12	37	16
2018/01/15	AUTO SHOP	$19.54	PASCO A-PTS 0027915	#180, seat cushion	$19.54	184.12	37	16
2018/01/15	AUTO SHOP	$8.76	PASCO A-PTS 0027915	thread seal	$8.76	184.12	37	16
2018/01/15	AUTO SHOP	$49.51	NORCO PASCO	cutting tip & goggles	$49.51	184.12	37	16
2018/01/15	AUTO SHOP	$74.27	CENTRAL HOSE & FITTINGS,	#82, hyd swival	$74.27	184.12	37	16
2018/01/15	AUTO SHOP	$219.50	CORWIN FORD TRI-CITIES	#179, water pump & belts	$219.50	184.12	37	16
2018/01/15	AUTO SHOP	$31.47	PASCO A-PTS 0027915	#158, headlights	$31.47	184.12	37	16
2018/01/15	AUTO SHOP	$2,255.19	PRO-VISION, INC.	5 rear view cameras	$2,255.19	184.12	37	16
2018/01/15	AUTO SHOP	$1,048.24	LOWER VALLEY MACHINE SHOP	#187, boom repair	$1,048.24	184.12	37	16
2018/01/15	AUTO SHOP	$270.06	PASCO A-PTS 0027915	filter & safety gloves	$270.06	184.12	37	16
2018/01/15	AUTO SHOP	$107.07	PASCO A-PTS 0027915	#58, spark plugs & wires	$107.07	184.12	37	16
2018/01/15	AUTO SHOP	$60.73	JIMS PACIFIC GARAGES	#118, turn signal switch	$60.73	184.12	37	16
2018/01/15	AUTO SHOP	$4.52	DESERT BUICK GMC INC	#158, connector	$4.52	184.12	37	16
2018/01/15	AUTO SHOP	$43.86	COLUMBIA GRAIN AND FEED	chain saw oil & fuel cap	$43.86	184.12	37	16
2018/01/15	AUTO SHOP	$75.00	API SVC STAT CERT	operator training cert	$75.00	588.00	37	16
2018/01/15	AUTO SHOP	$225.00	FLUID POWER SOCIETY	Jesse hyd recertification	$225.00	588.00	37	16
2018/01/15	AUTO SHOP	$1,172.88	COMMERCIAL CENTER	#165, rear tires	$1,172.88	184.12	37	16
2018/01/15	AUTO SHOP	$1,172.88	COMMERCIAL CENTER	#117, rear tires	$1,172.88	184.12	37	16
2018/01/15	AUTO SHOP	$137.49	DESERT BUICK GMC INC	#58, seal	$137.49	184.12	37	16
2018/01/15	AUTO SHOP	$43.40	PASCO A-PTS 0027915	#99, headlight & wipers	$43.40	184.12	37	16
2018/01/15	AUTO SHOP	$131.94	PASCO A-PTS 0027915	#145, battery	$131.94	184.12	37	16
2018/01/15	AUTO SHOP	$260.01	PASCO A-PTS 0027915	#132, links & shocks	$260.01	184.12	37	16
2018/01/15	AUTO SHOP	$33.64	PASCO A-PTS 0027915	#99, headlights	$33.64	184.12	37	16
2018/01/15	AUTO SHOP	$7.10	PASCO A-PTS 0027915	#159, filter	$7.10	184.12	37	16
2018/01/15	AUTO SHOP	$28.12	PASCO A-PTS 0027915	#150, filters	$28.12	184.12	37	16

Payment Date	Department	Payment Amount	Vendor Name	Description	Transaction Amount	GL Account	Dept	Activity
2018/01/15	AUTO SHOP	$479.19	CORWIN FORD TRI-CITIES	#197, repair	$479.19	184.12	37	16
2018/01/15	AUTO SHOP	$37.04	CORWIN FORD TRI-CITIES	#159, clip kit	$37.04	184.12	37	16
2018/01/15	PROSSER BRANCH	$16.12	PROSSER AUTOMOTIVE, INC	Jesse - Truck #83	$16.12	184.12	42	16
2018/01/15	PROSSER BRANCH	$47.47	PROSSER AUTOMOTIVE, INC	Fuel oil Mix & Purple Power	$47.47	588.00	42	16
2018/01/15	PROSSER BRANCH	$114.87	FARWEST LINE SPECIALTIES	Hand Tools	$114.87	588.00	42	14
2018/01/15	PROSSER BRANCH	$206.50	FP MAILING SOLUTIONS	Postage	$206.50	903.00	42	30
2018/01/15	PROSSER BRANCH	$11.95	M AND E SEED AND GRAIN CO	Dog Treats	$11.95	903.00	42	30
2018/01/15	COMMUNICATIONS GOV REL	$644.15	PROJECT ENERGY SAVERS (KE	Energy Supplies	$644.15	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$900.00	PROJECT ENERGY SAVERS (KE	Energy Supplies	$900.00	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$2,000.00	HOME BUILDERS ASSOCIATION	Home Builders Ad - built green	$2,000.00	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$1,000.00	TRI-CITY REGIONAL CHAMBER	Chamber - Ad - Policy Resource	$1,000.00	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$225.40	PROSSER RECORD BULLETIN	2 Vet Day ads	$225.40	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$28.98	TRI-CITY HERALD ADVERT	TCH Ad - Commission Cancel	$28.98	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$275.00	CABIN FEVER ENT	Tidbits ad	$275.00	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$160.00	PROSSER CHAMBER OF COM	Prosser Chamber	$160.00	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$142.89	OFFICESUPPLY.COM	Salmon Power Supplies	$142.89	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$260.50	PROSSER RECORD BULLETIN	2 ads - grandview/prosser	$260.50	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$72.00	TOWN @ COUNTRY ADVERTI	Ad - New year - Prosser	$72.00	910.00	12	119
2018/01/15	COMMUNICATIONS GOV REL	$73.06	OFFICE DEPOT #1078	office supplies	$73.06	921.00	1	33
2018/01/15	COMMUNICATIONS GOV REL	$164.97	OFFICE DEPOT #1078	office supplies	$164.97	921.00	1	33
2018/01/15	CONTRACTS-PURCHASING	$8.75	WA VEHICLE LICENSING	Report of Sale Fee	$8.75	921.00	17	44
2018/01/15	CONTRACTS-PURCHASING	$106.26	TRI-CITY HERALD ADVERT	Call for Bids #18-01	$106.26	921.00	17	44
2018/01/15	CONTRACTS-PURCHASING	$89.35	TRI-CITY HERALD ADVERT	Call for Bids #17-18	$89.35	921.00	17	44
2018/01/15	CONTRACTS-PURCHASING	$84.52	TRI-CITY HERALD ADVERT	Call for Bids #17-19	$84.52	921.00	17	44
2018/01/15	CONTRACTS-PURCHASING	$106.26	TRI-CITY HERALD ADVERT	Call for Bids - Bid #17-17	$106.26	921.00	17	44
2018/01/15	FINANCE & BUSINESS SVCS	$219.00	AMERICAN PAYROLL ASSOC	Yuly Membership	$219.00	921.00	14	72
2018/01/15	FINANCE & BUSINESS SVCS	$41.30	OFFICE DEPOT #1078	Office Supplies	$41.30	921.00	11	33
2018/01/15	FINANCE & BUSINESS SVCS	$195.87	OFFICE DEPOT #1078	Office Supplies	$195.87	921.00	11	33
2018/01/15	FINANCE & BUSINESS SVCS	$159.90	AMAZON MKTPLACE PMTS	Office Supplies - Ipad Access	$159.90	921.00	15	26
2018/01/15	FINANCE & BUSINESS SVCS	$39.99	CPE247.COM	Zirker - Wa Ethics	$39.99	921.00	14	43
2018/01/15	FINANCE & BUSINESS SVCS	$59.73	OFFICE DEPOT #1078	Office Supplies	$59.73	921.00	11	33
2018/01/15	FINANCE & BUSINESS SVCS	$66.30	AMAZON.COM AMZN.COM/BILL	Holbrook - Dry Erase Board	$66.30	921.00	11	33
2018/01/15	FINANCE & BUSINESS SVCS	$89.00	NOTARYLAW	Preddie - Notary Class	$89.00	921.00	11	43
2018/01/15	FINANCE & BUSINESS SVCS	$65.63	OFFICE DEPOT #1078	Office Supplies	$65.63	921.00	11	33
2018/01/15	FINANCE & BUSINESS SVCS	$40.00	WASHINGTON PUBLIC TREA	K Homer- Membership	$40.00	921.00	16	72
2018/01/15	FINANCE & BUSINESS SVCS	$14.11	OFFICE DEPOT #1078	Office Supplies	$14.11	921.00	11	33
2018/01/15	MAINTENANCE	$262.96	THERMAL SUPPLY 21	Filter dryers& copper tubing	$262.96	935.00	38	38
2018/01/15	MAINTENANCE	$647.46	HOMEDEPOT.COM	under desk heater new	$647.46	935.00	38	38
2018/01/15	MAINTENANCE	$172.68	WW GRAINGER	new 20volt batteries	$172.68	598.10	38	14
2018/01/15	MAINTENANCE	$107.52	WW GRAINGER	Drive thru fan motors	$107.52	935.00	38	38
2018/01/15	MAINTENANCE	$54.36	WW GRAINGER	outlet strips & transformer	$54.36	598.10	38	38
2018/01/15	MAINTENANCE	$30.98	THERMAL SUPPLY 21	Line set tape	$30.98	598.10	38	38
2018/01/15	MAINTENANCE	$594.09	OFFICESUPPLY.COM	Air fresheners	$594.09	935.00	38	38
2018/01/15	MAINTENANCE	$12.15	WW GRAINGER	HVAC parts for main.	$12.15	598.10	38	38
2018/01/15	MAINTENANCE	$25.09	WW GRAINGER	Soap dispenser	$25.09	935.00	38	38
2018/01/15	MAINTENANCE	$242.34	WW GRAINGER	Garbage can rollers &supplies	$242.34	935.00	38	38
2018/01/15	MAINTENANCE	$124.90	CONTROL SOLUTIONS	HVAC controls programming	$124.90	935.00	38	38
2018/01/15	MAINTENANCE	$1,847.70	3627 CED	T-8 lamps	$1,847.70	598.10	38	38
2018/01/15	MAINTENANCE	$2,506.88	BULLOCK TRANE SERVICE AGE	chiller barrels for Trane HP-2 390.00	$2,506.88	107.10	38	131
2018/01/15	MAINTENANCE	($1,847.70)	3627 CED	T-8 lamps	($1,847.70)	598.10	38	38
2018/01/15	MAINTENANCE	$146.35	WW GRAINGER	HVAC filters	$146.35	935.00	38	38
2018/01/15	MAINTENANCE	$23.30	WW GRAINGER	Squeege for sewer cleanup	$23.30	935.00	38	38
2018/01/15	MAINTENANCE	$2,283.94	3627 CED	T-8 lamps	$2,283.94	598.10	38	38
2018/01/15	MAINTENANCE	$571.27	WW GRAINGER	De-iceing spreader	$571.27	598.10	42	37
2018/01/15	MAINTENANCE	$6.28	WW GRAINGER	Hose hanger	$6.28	598.10	38	38

Payment Date	Department	Payment Amount	Vendor Name	Description	Transaction Amount	GL Account	Dept	Activity
2018/01/15	MAINTENANCE	$191.84	THERMAL SUPPLY 21	Ice machine repair parts	$191 84	935 00	38	38
2018/01/15	MAINTENANCE	$2,272.67	OXARC, INC-PASCO COUNTER	Fire Extinquishers for trucks	$2,272 67	184.12	37	16
2018/01/15	MAINTENANCE	$488.70	OXARC, INC-PASCO COUNTER	Substation fire Extinguishers	$488.70	592.00	35	17
2018/01/15	MAINTENANCE 1	$11.94	THE HOME DEPOT #4739	Door sweep	$11 94	935.00	38	38
2018/01/15	MAINTENANCE 1	$2.12	MOUNTS LOCK AND KEY	Cooper shed key	$2.12	598.10	38	38
2018/01/15	METER SHOP	$495.70	LAWSON PRODUCTS	Terminals, Screws	$495.70	597 00	34	124
2018/01/15	METER SHOP	$552 23	3627 CED	Fuse Holders for CT Jobs	$552.23	597.00	34	124
2018/01/15	METER SHOP	$250.00	ACCURATE CALIBRATION SER	RFL Support Package	$250.00	597.00	34	17
2018/01/15	METER SHOP	$121.32	THE HOME DEPOT #4739	Stepped Drill Bits	$121.32	597 00	34	14
2018/01/15	METER SHOP	$20.47	THE HOME DEPOT #4739	2 Parts Organizers	$20 47	597.00	34	14
2018/01/15	METER SHOP	$13.05	THE HOME DEPOT #4739	Reducing Washers, Locknuts	$13.05	597.00	34	124
2018/01/15	CUST SRVCE PROG MNGR	$36 42	OFFICE DEPOT #1078	CS Supplies	$36.42	903.00	44	33
2018/01/15	CUST SRVCE PROG MNGR	$26.56	OFFICE DEPOT #1078	CS Supplies	$26.56	903.00	44	33
2018/01/15	CUST SRVCE PROG MNGR	$29.32	AMAZON.COM AMZN.COM/BILL	CS Supplies	$29 32	903.00	44	33
2018/01/15	CUST SRVCE PROG MNGR	$9.18	AMAZON MKTPLACE PMTS WWW	CS Supplies	$9.18	903 00	44	33
2018/01/15	CUST SRVCE PROG MNGR	$33 60	AMAZON MKTPLACE PMTS WWW	CS Supplies & Planner	$33.60	903 00	44	33
2018/01/15	CUST SRVCE PROG MNGR	$348.18	OFFICE DEPOT #1078	CS Supplies	$348.18	903.00	44	33
2018/01/15	ENGINEERING PROG MNGR	$1,140.00	HJ ARNETT	Cable testing	$1,140.00	588.00	21	61
2018/01/15	ENGINEERING PROG MNGR	$57.25	AMAZON MKTPLACE PMTS	Wacom Stylus' for iPads (3)	$57.25	588 00	21	33
2018/01/15	ENGINEERING PROG MNGR	$116.00	WA PROFESSIONAL LICENSE	Flores-PE License Renewal	$116.00	588 00	21	72
2018/01/15	ENGINEERING PROG MNGR	$116.00	WA PROFESSIONAL LICENSE	Berven-PE License Renewal	$116.00	588.00	21	72
2018/01/15	ENGINEERING PROG MNGR	$797.14	WW GRAINGER	Enclosures & padlock kits	$797.14	588.00	21	12
2018/01/15	ENGINEERING PROG MNGR	$76.56	WW GRAINGER	Inner panel enclosures	$76 56	588 00	21	12
2018/01/15	ENGINEERING PROG MNGR	$236.00	IEEE PRODUCTS & SERVICES	Dunn-Renew IEEE m'subscriptions	$236 00	588 00	21	45
2018/01/15	ENGINEERING PROG MNGR	$54.28	OFFICE DEPOT #1078	Markers	$54.28	588.00	21	33
2018/01/15	INFO SRVCS PROG MNGR	$2,428 30	CDW GOVT #LDJ1657	Kemp software support	$2,428.30	921.00	15	25
2018/01/15	INFO SRVCS PROG MNGR	$1,280.32	DLT SOLUTIONS 703-773-	Linux Red Hat renewal	$1,280.32	921.00	15	25
2018/01/15	INFO SRVCS PROG MNGR	$38.16	CDW GOVT #LFK5258	Apple USB Cable	$38.16	921 00	15	26
2018/01/15	INFO SRVCS PROG MNGR	$119.98	CHARTER COMM	backup internet	$119.98	921.00	15	50
2018/01/15	INFO SRVCS PROG MNGR	$91.22	CBT NUGGETS	online training (homer)	$91.22	921.00	15	43
2018/01/15	INFO SRVCS PROG MNGR	$5.00	IN *FLAGPOLES ETC, INC	additional shipping cost	$5.00	921.00	15	29
2018/01/15	INFO SRVCS PROG MNGR	$201.18	CDW GOVT #LHG0755	Cisco power supply	$201.18	921.00	15	26
2018/01/15	INFO SRVCS PROG MNGR	$34.73	BATTERIES PLUS #25	UPS batteries Commis	$34 73	921.00	15	28
2018/01/15	INFO SRVCS PROG MNGR	$927.88	IN *IVOXY CONSULTING, LLC	3 Zero Clients	$927.88	921.00	15	26
2018/01/15	OPERATIONS PROG MNGR	$430.00	NWPPA	Schafer/Hazwoper	$430.00	588 00	38	43
2018/01/15	OPERATIONS PROG MNGR	$223.66	EMS SAFETY SERVICES	First Aid/CPR Cards	$223.66	588.00	31	104
2018/01/15	OPERATIONS PROG MNGR	$13.86	WM SUPERCENTER #2101	Ops Mtg Room Coffee Supplies	$13.86	588.00	31	42
2018/01/15	OPERATIONS PROG MNGR	$47.98	OFFICE DEPOT #1078	Office Supplies/Ops	$47.98	588.00	31	33
2018/01/15	OPERATIONS PROG MNGR	$244.26	OFFICE DEPOT #1078	Office Supplies/Ops	$244 26	588.00	31	33
2018/01/15	OPERATIONS PROG MNGR	$959.70	CANON SOLUTIONS AMER INC	Ink for Plotter/Ops	$959.70	921.00	15	29
2018/01/15	OPERATIONS PROG MNGR	$65.03	OFFICE DEPOT #1078	Office Supplies/Ops	$65.03	588.00	31	33
2018/01/15	OPERATIONS PROG MNGR	$55.60	OFFICE DEPOT #5125	Office Supplies/Ops	$55 60	588.00	31	33
2018/01/15	POWER MGMT PROG MNGR	($1,500.00)	APPLEWOOD BUSINESS ASSOCI	FRAUD credit for December '17	($1,500 00)	143.00	0	0
2018/01/15	WAREHOUSE PROG MNGR	$828 44	ANIXTER INC - UPS	POLY INSULATOR FOR BARE W/CLMP	$828 44	593 10	39	13
2018/01/15	WAREHOUSE PROG MNGR	$203.61	WAGNER SMITH EQUIPMENT HI	BOLT CUTTER	$203.61	594.10	32	14
2018/01/15	WAREHOUSE PROG MNGR	$291.05	WW GRAINGER	CORDLESS SMALL TOOLS	$291.05	594.10	42	14
2018/01/15	WAREHOUSE PROG MNGR	$364.46	WW GRAINGER	CORDLESS RECIP SAW	$364 46	593.10	42	14
2018/01/15	WAREHOUSE PROG MNGR	$933.25	ALMETEK INDUSTRIES	BLANK POLY TAGS	$933 25	594.10	39	13
2018/01/15	WAREHOUSE PROG MNGR	$755 42	ANIXTER INC - UPS	MESH SHIELDING CLAMP	$755.42	594 10	39	13
2018/01/15	WAREHOUSE PROG MNGR	$547.26	HJ ARNETT	BASHLIN EZ RIDER BELT	$547.26	586 10	34	14
2018/01/15	WAREHOUSE PROG MNGR	$36.26	FRED-MEYER #0163	MEETING ROOM SUPPLIES	$36.26	588 00	39	104
2018/01/15	WAREHOUSE PROG MNGR	$665.33	DESIGNER DECAL INC	PROPERTY OF TAGS	$665.33	163.00	39	13
2018/01/15	WAREHOUSE PROG MNGR	$2,267.57	COLUMBIA BASIN PAPER & SU	ICE FOE	$2,267 57	598.10	38	38
2018/01/15	WAREHOUSE PROG MNGR	$173.42	NORCO PASCO	SAFETY GLASSES	$173.42	588.00	39	104
2018/01/15	WAREHOUSE PROG MNGR	$215.03	THE HOME DEPOT #4739	MAKITA BATTERIES	$215 03	163 00	32	14

Payment Date	Department	Payment Amount	Vendor Name	Description	Transaction Amount	GL Account	Dept	Activity
2018/01/15	WAREHOUSE PROG MNGR	$82.34	7168 DOMINOS PIZZA	OVERTIME FOOD	$82.34	593.20	32	104
2018/01/15	WAREHOUSE PROG MNGR	$1,467.46	ANIXTER INC - UPS	LEATHER GLOVES FOR CRAFTS	$1,467.46	588 00	32	104
2018/01/15	WAREHOUSE PROG MNGR	$178.88	NATIONAL SAFETY INC -	GLOVE LINERS	$178.88	588.00	39	104
2018/01/15	WAREHOUSE PROG MNGR	$29.58	WW GRAINGER	GLOVE LINERS	$29.58	588.00	39	104
2018/01/15	WAREHOUSE PROG MNGR	$109.08	WW GRAINGER	HAND WARMERS	$109 08	588.00	39	104
2018/01/15	WAREHOUSE PROG MNGR	$33.36	3627 CED	BATTERIES	$33.36	163.00	39	13
2018/01/15	WAREHOUSE PROG MNGR	$317.66	FLASHLIGHTDISTRIBUTOR COM	SPOT LIGHTS FOR VEHICLES	$317.66	184.12	37	16
2018/01/15	WAREHOUSE PROG MNGR	$803.46	ALMETEK INDUSTRIES	VERTICAL TAGS	$803 46	594.10	39	17
2018/01/15	WAREHOUSE PROG MNGR	$53.19	TV WASH HDW & FURN CO	HAMMERS	$53.19	593.10	32	14
2018/01/15	WAREHOUSE PROG MNGR	$1,398 50	IN *SPECIALIZED SAFETY PR	LEATHER GLOVES FOR CRAFTS	$1,398.50	588.00	32	104
2018/01/15	WAREHOUSE PROG MNGR	$24.35	WW GRAINGER	WAREHOUSE CLEANUP SUPPLIES	$24 35	163 00	39	14
2018/01/15	WAREHOUSE PROG MNGR	$283.74	WW GRAINGER	MISC SMALL TOOLS	$283.74	594.10	32	17
2018/01/15	WAREHOUSE PROG MNGR	$425.17	COLUMBIA BASIN PAPER & SU	ICE FOE	$425.17	598.10	42	37
2018/01/15	WAREHOUSE PROG MNGR	$346 39	NORCO PASCO	SAFETY GLASSES	$346 39	588 00	39	104
2018/01/15	WAREHOUSE PROG MNGR	$96.63	WAGNER SMITH EQUIPMENT HI	STORAGE BAG W HOOKS	$96.63	593.10	32	14
2018/01/15	WAREHOUSE PROG MNGR	$174.25	BC SALES CO INC	SAFETY GLASSES & GLOVES	$174.25	588.00	39	104
2018/01/15	WAREHOUSE PROG MNGR	$1,088.87	PLATT ELECTRIC 006	MISC EQUIPMENT FOR ENGINEERING	$1,088.87	588 00	21	12
2018/01/15	WAREHOUSE PROG MNGR	$26.53	WW GRAINGER	MULTI BIT SCREWDRIVER	$26.53	594.10	32	14
2018/01/15	WAREHOUSE PROG MNGR	$35.13	WW GRAINGER	UTILITY KNIVES	$35.13	163.00	39	13
2018/01/15	WAREHOUSE PROG MNGR	$306 00	ID WHOLESALER	SECURITY BADGE SUPPLIES	$306.00	588.00	38	38
2018/01/15	WAREHOUSE PROG MNGR	$65.79	WAGNER SMITH EQUIPMENT HI	ADAPTER	$65.79	593.10	32	14
2018/01/15	WAREHOUSE PROG MNGR	$576.83	WAGNER SMITH EQUIPMENT HI	MISC SMALL TOOLS	$576.83	593.20	32	14
2018/01/15	WAREHOUSE PROG MNGR	$277.97	ANIXTER INC - UPS	MISC BRACKETS	$277 97	593.10	39	17
2018/01/15	WAREHOUSE PROG MNGR	$62 52	AMAZON MKTPLACE PMTS WWW	TRACTION CLEATS	$62.52	588.00	39	104
2018/01/15	WAREHOUSE PROG MNGR	$83.35	IN *BC SALES COMPANY	EAR PLUGS & LEATHER GLOVES	$83.35	588.00	39	104
2018/01/15	WAREHOUSE PROG MNGR	$108.61	WW GRAINGER	IMPACT SOCKET SET	$108 61	594 10	32	14
2018/01/15	WAREHOUSE PROG MNGR	$513.14	ANIXTER INC - UPS	MISC FUSES	$513.14	594.10	39	17
2018/01/15	WAREHOUSE PROG MNGR	$79.15	WAGNER SMITH EQUIPMENT HI	6 FT WOOD RULE	$79.15	163.00	39	14
2018/01/15	WAREHOUSE PROG MNGR	$1,013.46	WAGNER SMITH EQUIPMENT HI	MISC GRIPS	$1,013.46	593.20	32	14
2018/01/15	ADMIN PROGRAM MANAGER	$45 00	WASHINGTON PUD ASSOCIATIO	WPUDA Leg Rally - Miller	$45.00	921.00	12	42
2018/01/15	ADMIN PROGRAM MANAGER	$45.00	WASHINGTON PUD ASSOCIATIO	WPUDA Leg rally - Hall	$45.00	930.20	1	42
2018/01/15	ADMIN PROGRAM MANAGER	$110.97	D J*WALL-ST-JOURNAL	Wall Street Journal Subscripti	$110 97	930.20	1	45
2018/01/15	ADMIN PROGRAM MANAGER	$195.00	ARMA INTERNATIONAL	ARMA - Cole	$195.00	921 00	1	72
2018/01/15	ADMIN PROGRAM MANAGER	$12.00	WASHINGTON PUD ASSOCIATIO	WPUDA - Hall	$12.00	930.20	1	42
2018/01/15	ADMIN PROGRAM MANAGER	$12.00	WASHINGTON PUD ASSOCIATIO	WPUDA - Miller	$12 00	921.00	12	42
2018/01/15	ADMIN PROGRAM MANAGER	$105.00	TRI-CITY REGIONAL CHAMBER	Chamber - Marshall	$105.00	921.00	1	42
2018/01/15	ADMIN PROGRAM MANAGER	$105.00	TRI-CITY REGIONAL CHAMBER	Chamber - Sanders	$105.00	930.20	1	42
2018/01/15	ADMIN PROGRAM MANAGER	$22.00	TRI-CITY REGIONAL CHAMBER	Chambers - Sparks	$22.00	921.00	43	42
2018/01/15	ADMIN PROGRAM MANAGER	$22.00	TRI-CITY REGIONAL CHAMBER	Chamber - Henderson	$22.00	921 00	12	42
2018/01/15	ADMIN PROGRAM MANAGER	$89.00	NOTARYLAW	Notary Training - Cole	$89.00	921.00	1	42
2018/01/15	ADMIN PROGRAM MANAGER	$375.00	AMER PUBLIC POWER ASSO	APPA Leg Rally - Hall	$375 00	930.20	1	42
2018/01/15	ADMIN PROGRAM MANAGER	$375.00	AMER PUBLIC POWER ASSO	APPA Leg Rally - Miller	$375.00	921.00	12	42
2018/01/15	HUMAN RESOURCES	$49.50	AMAZON.COM	Safety Program Supplies	$49.50	921.00	2	104
2018/01/15	HUMAN RESOURCES	$115.00	NWPPA	Recruiting-Advertising	$115.00	921 00	2	44
2018/01/15	HUMAN RESOURCES	$500.00	NWPPA	Professional Services	$500.00	921.00	2	61
2018/01/15	HUMAN RESOURCES	$393 52	THE SPOKESMAN REVIEW	Recruiting-Advertising	$393.52	921.00	2	44
2018/01/15	HUMAN RESOURCES	$98 99	ZPIZZA - KENNEWICK - E	Leadership Planning Workshop	$98 99	921.00	2	42
2018/01/15	HUMAN RESOURCES	$533 40	TRI-CITY HERALD ADVERT	Recruiting-Advertising	$533.40	921 00	2	44
2018/01/15	HUMAN RESOURCES	$525.00	ASSOC OF WA CITIES	Industry Association Assessmen	$525.00	921.00	2	72
2018/01/15	HUMAN RESOURCES	$716.48	THE SPOKESMAN REVIEW	Recruiting-Advertising	$716 48	921.00	2	44
2018/01/15	HUMAN RESOURCES	$100.00	TOTAL CARE CLINICS	Med Cert for CDL/DOT Physical	$100.00	926.10	2	104
2018/01/15	HUMAN RESOURCES	$63.03	OFFICE DEPOT #1080	Misc Supplies & Expenses	$63.03	921.00	2	33
2018/01/15	HUMAN RESOURCES	$43.16	FRED-MEYER #0163	Leadership Planning Workshop	$43 16	921.00	2	42
2018/01/15	HUMAN RESOURCES	$63.34	THE TROPHY SHOPPE	Business Expense	$63.34	921 00	11	42
2018/01/15	HUMAN RESOURCES	$34.74	OFFICE DEPOT #962	Misc Supplies & Expenses	$34.74	921.00	2	33

BENTON P·U·D

	Business Agenda
	Second Reading
✓	*Consent Agenda*
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Resolution No. 2441, Authorizing Investment of Monies in the Local Government Investment Pool	
Agenda Item No:	5d	
Meeting Date:	March 13, 2018	
Presented by:	Kevin White	*Staff Presenting Item*
Approved by (dept):	Jon Meyer JM	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration

Motion adopting Resolution No. 2441, Authorizing Investment of District Monies in the Local Government Investment Pool.

Background

The Commission adopted Resolution No. 2278 in 2014. Staff has reviewed this resolution as part of the District's Governance Policy to periodically review selected resolutions and have replaced the transaction authorization form and LGIP prospectus with the most current information. No additional changes to the resolution were necessary.

The District invests reserves in the LGIP which is administered by the Washington State Treasurer. The District adopted Resolution 1568, Approving the Establishment of a District Account with the Washington State Local Government Investment Pool, on January 12, 1999. Resolution 1568 authorized the District's Treasurer open an account with the LGIP and authorized the Treasurer and Deputy Treasurer to make deposits and withdrawals from the LGIP.

Summary

Adoption of Resolution No. 2441, Authorizing Investment of District Monies in the Local Government Investment Pool allows the LGIP to have an updated resolution on file with the current authorized individuals.

Fiscal Impact

None

RESOLUTION NO. 2441

March 13, 2018

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL GOVERNMENT INVESTMENT POOL

WHEREAS, pursuant to Chapter 294, Laws of 1986, the Legislature created a trust fund to be known as the public funds investment account (commonly referred to as the Local Government Investment Pool (LGIP)) for the contribution and withdrawal of money by an authorized governmental entity for purposes of investment by the Office of the State Treasurer; and

WHEREAS, from time to time it may be advantageous to the authorized governmental entity, Public Utility District No. 1 of Benton County, the "governmental entity", to contribute funds available for investment in the LGIP; and

WHEREAS, the investment strategy for the LGIP is set forth in its policies and procedures; and

WHEREAS, any contributions or withdrawals to or from the LGIP made on behalf of the governmental entity shall be first duly authorized by the Public Utility District No. 1 of Benton County, the "governing body" or any designee of the governing body pursuant to this resolution or a subsequent resolution; and

WHEREAS the governmental entity will cause to be filed a certified copy of said resolution with the Office of the State Treasurer; and

WHEREAS the governing body and any designee appointed by the governing body with authority to contribute or withdraw funds of the governmental entity has received and read a copy of the prospectus and understands the risks and limitations of investing in the LGIP; and

WHEREAS, the governing body attests by the signature of its members that it is duly authorized and empowered to enter into this agreement, to direct the contribution or withdrawal of governmental entity monies, and to delegate certain authority to make adjustments to the incorporated transactional forms, to the individuals designated herein.

NOW THEREFORE, BE IT RESOLVED that the governing body does hereby authorize the contribution and withdrawal of governmental entity monies in the LGIP in the manner prescribed by law, rule, and prospectus.

BE IT FURTHER RESOLVED that the governing body has approved the Local Government Investment Pool Transaction Authorization Form (Form) as completed by the Treasurer and incorporates said form into this resolution by reference and does hereby attest to its accuracy.

BE IT FURTHER RESOLVED that the governmental entity designates the Treasurer as the "authorized individual" to authorize all amendments, changes, or alterations to the Form or any other documentation including the designation of other individuals to make contributions and withdrawals on behalf of the governmental entity.

BE IT FURTHER RESOLVED that this delegation ends upon the written notice, by any method set forth in the prospectus, of the governing body that the authorized individual has been terminated or that his or her delegation has been revoked. The Office of the State Treasurer will rely solely on the governing body to provide notice of such revocation and is entitled to rely on the authorized individual's instructions until such time as said notice has been provided.

BE IT FURTHER RESOLVED that the Form as incorporated into this resolution or hereafter amended by delegated authority, or any other documentation signed or otherwise approved by the authorized individual shall remain in effect after revocation of the authorized individual's delegated authority, except to the extent that the authorized individual whose delegation has been terminated shall not be permitted to make further withdrawals or contributions to the LGIP on behalf of the governmental entity. No amendments, changes, or alterations shall be made to the Form or any other documentation until the entity passes a new resolution naming a new authorized individual; and

BE IT FURTHER RESOLVED that the governing body acknowledges that it has received, read, and understood the prospectus as provided by the Office of the State Treasurer. In addition, the governing body agrees that a copy of the prospectus will be provided to any person delegated or otherwise authorized to make contributions or withdrawals into or out of the LGIP and that said individuals will be required to read the prospectus prior to making any withdrawals or contributions or any further withdrawals or contributions if authorizations are already in place.

ADOPTED By the Commission of Public Utility District No. 1 of Benton County at an open meeting, with notice of such meeting being given as required by law, this 13th day of March 2018.

BE IT FURTHER RESOLVED that this Resolution supersedes Resolution No. 2278 and replaces all other Resolutions pertaining to authorization of investment in the LGIP.

_____

Barry A. Bush, President

ATTEST:

_____

Lori Kays-Sanders, Secretary

LOCAL GOVERNMENT INVESTMENT POOL
TRANSACTION AUTHORIZATION FORM

Please fill out this form completely, including any existing information, as this form will replace the previous form.

Name of Entity: Public Utility District No. 1 of Benton County	Mailing Address: 2721 W 10th AVE Kennewick, WA 99336
Fax Number: (509) 582-1294	
E-mail Contact: homerk@bentonpud.org	

How do you wish to have your monthly LGIP statements faxed or emailed to the information listed above?

Please note – if you choose to receive statements via email, fax or U.S. Mail.

■ Email ☐ Fax ☐ U.S. Mail

Bank account where funds will be wired when a withdrawal is requested.
(Note: Funds will not be transferred to any account other than that listed).

Bank Name: Bank of America
Branch Location: Seattle, WA
Bank Routing Number: Wire: [redacted] ACH: [redacted]
Account Number: [redacted]
Account Name: Public Utility District No. 1 of Benton County

Persons authorized to make deposits and withdrawals for the entity listed above.

Name	Title	Signature	Telephone Number
Kevin White	Treasurer		509-582-1235
Katlin Homer	Deputy Treasurer		509-582-1275

By signature below, I certify I am authorized to represent the institution/agency for the purpose of this transaction.

	Treasurer	1/10/2018
(Authorized Signature)	*(Title)*	*(Date)*
Kevin White	whitek@bentonpud.org	509-582-1235
(Print Authorized Signature)	*(E-mail Address)*	*(Telephone number)*

Any changes to these instructions must be submitted in writing to the Office of the State Treasurer. Please mail this form to the address listed below:

OFFICE OF THE STATE TREASURER
LOCAL GOVERNMENT INVESTMENT POOL
PO BOX 40200
OLYMPIA, WA 98504-0200
FAX: (360) 902-9044

Date Received: ___ / ___ / _____
Fund Number: _____
(for LGIP use only)

Notary Public
State of Washington
KATHERYN A EBY
My Appointment Expires Sep 30, 2018

State of Washington)
County of Benton) ss
Signed or attested before me by Katheryn A Eby
Dated this 10 day of January, 2018

SEAL OR STAMP

Signature of Notary
Katheryn A. Eby
Typed or printed name of Notary
Notary Public in and for the State of Wash.

OFFICE OF THE WASHINGTON STATE TREASURER
LOCAL GOVERNMENT INVESTMENT POOL and/Or REVENUE DISTRIBUTION
TREASURY MANAGEMENT SYSTEM (TM$)
WEB CLIENT LOGON AUTHORIZATION FORM

Name of Entity: Public Utility District No. 1 of Benton County

Note: each Full access LGIP person must also be listed on the Transaction Authorization Form. Please fill out this form completely, including any existing information, as this form will replace the previous form.

TM$ LGIP / Revenue Dist. Web access requested for the following

1. ☐Add ☐Delete ☐Update ☒No Change
LGIP: ☒Full Access ☐View only **Rev Dist**: ☐View only

Name: Kevin White
Title: **Treasurer**
E-mail address: whitek@bentonpud.org
Phone: **509-582-1235**
OST Appr Date: UserID:

2. ☐Add ☐Delete ☐Update ☒No Change
LGIP: ☒Full Access ☐View only **Rev Dist**: ☐View only

Name: Katie Homer
Title: **Deputy Treasurer**
E-mail address: homerk@bentonpud.org
Phone: **509-582-1275**
OST Appr Date: UserID:

3. ☐Add ☒Delete ☐Update ☐No Change
LGIP: ☐Full Access ☐View only **Rev Dist**: ☐View only

Name: Dale Pryor
Title: **Deputy Treasurer**
E-mail address: pryorj@bentonpud.org
Phone: **509-583-5384**
OST Appr Date: UserID:

4. ☐Add ☐Delete ☐Update ☐No Change
LGIP: ☐Full Access ☐View only **Rev Dist**: ☐View only

Name:
Title:
E-mail address:
Phone:
OST Appr Date: UserID:

==========

By signature below, I certify I am authorized to represent the institution/agency for the purposes of this transaction.

Kevin White	Treasurer	1/10/2018
(Authorized Signature)	*(Title)*	*(Date)*
Kevin White	whitek@bentonpud.org	509-582-1235
(Print Authorized Name)	*(E-mail address)*	*(Phone no.)*

Any changes to these instructions must be submitted in writing to the Office of the State Treasurer. Please mail this form to the address listed below:

OFFICE OF THE STATE TREASURER
LOCAL GOVERNMENT INVESTMENT POOL
LEGISLATIVE BUILDING
P. O. BOX 40200
OLYMPIA WA 98504-0200
Fax: 360/902-9044

Date Received: ____ / ____ / ____

Fund Number: _____

OK'd by: _____

(For OST use only) **02/22/13**

LOCAL GOVERNMENT

INVESTMENT POOL

Prospectus

August 2016

James L. McIntire

Washington State Treasurer

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I. The LGIP

The Local Government Investment Pool (the "LGIP") is an investment pool of public funds placed in the custody of the Office of the Washington State Treasurer (the "State Treasurer") for investment and reinvestment as defined by RCW 43.250.020. The purpose of the LGIP is to allow eligible governmental entities to participate with the state in the investment of surplus public funds, in a manner that optimizes liquidity and return on such funds. In establishing the LGIP, the legislature recognized that not all eligible governmental entities are able to maximize the return on their temporary surplus funds, and therefore it provided a mechanism whereby they may, at their option, utilize the resources of the State Treasurer to maximize the potential of their surplus funds while ensuring the liquidity of those funds.

The State Treasurer has established a sub-pool within the LGIP whose shares are offered by means of this Prospectus: The LGIP-Money Market Fund (the "LGIP-MMF" or the "Fund"). The State Treasurer has the authority to establish additional sub-pools in the future.

The Fund offered in this Prospectus seeks to provide current income by investing in high-quality, short term money market instruments. These standards are specific to the Fund, as illustrated in the following table. The LGIP-MMF offers daily contributions and withdrawals.

FUND SNAPSHOT

The table below provides a summary comparison of the Fund's investment types and sensitivity to interest rate risk. This current snapshot can be expected to vary over time.

Fund	Investment Types	Maximum Dollar-Weighted Average Maturity for LGIP-MMF
LGIP-Money Market Fund	Cash	60 days
Current Investments (as of July 1, 2016)	Bank Deposits US Treasury bills Repurchase agreements US Government agency obligations	

Fees and Expenses

Administrative Fee. The State Treasurer charges pool participants a fee representing administration and recovery costs associated with the operation of the Fund. The administrative fee accrues daily from pool participants' earnings prior to the earnings being posted to their account. The administrative fee will be paid monthly. In the event that there are no earnings, the administrative fee will be deducted from principal.

The chart below illustrates the operating expenses of the LGIP-MMF for past years, expressed in basis points as a percentage of fund assets.

Local Government Investment Pool-MMF
Operating Expenses by Fiscal Year (in Basis Points)

	2009	2010	2011	2012	2013	2014	2015	2016
Total Operating Expenses	*0.88*	*0.64*	*0.81*	*0.68*	*0.87*	*0.88*	*0.95*	*0.88*

(1 basis point = 0.01%)

Because most of the expenses of the LGIP-MMF are fixed costs, the fee (expressed as a percentage of fund assets) will be affected by: (i) the amount of operating expenses; and (ii) the assets of the LGIP-MMF. The table below shows how the fee (expressed as a percentage of fund assets) would change as the fund assets change, assuming an annual fund operating expenses amount of $950,000.

Fund Assets	$8.0 bn	$10.0 bn	$12.0 bn
Total Operating Expenses (in Basis Points)	1.19	0.95	0.79

Portfolio Turnover: The Fund does not pay a commission or fee when it buys or sells securities (or "turns over" its portfolio). However, debt securities often trade with a bid/ask spread. Consequently, a higher portfolio turnover rate may generate higher transaction costs that could affect the Fund's performance.

II. Local Government Investment Pool – Money Market Fund

Investment Objective

The LGIP-MMF will seek to effectively maximize yield while maintaining liquidity and a stable net asset value per share, e.g., all contributions will be transacted at $1.00 net asset value per share.

Principal Investment Strategies

The LGIP-MMF will seek to invest primarily in high-quality, short term money market instruments. Typically, at least 55% of the Fund's assets will be invested in US government securities and repurchase agreements collateralized by those securities. The LGIP-MMF means a sub-pool of the LGIP whose investments will primarily be money market instruments. The LGIP-MMF will only invest in eligible investments permitted by state law. The LGIP portfolio will be managed to meet the portfolio maturity, quality, diversification and liquidity requirements set forth in GASB 79 for external investment pools who wish to measure, for financial reporting purposes, all of their investments at amortized cost. Investments of the LGIP-MMF will conform to the LGIP Investment Policy, the most recent version of which will be posted on the LGIP website and will be available upon request.

Principal Risks of Investing in the LGIP-Money Market Fund

Counterparty Credit Risk. A party to a transaction involving the Fund may fail to meet its obligations. This could cause the Fund to lose the benefit of the transaction or prevent the Fund from selling or buying other securities to implement its investment strategies.

Interest Rate Risk. The LGIP-MMF's income may decline when interest rates fall. Because the Fund's income is based on short-term interest rates, which can fluctuate significantly over short periods, income risk is expected to

be high. In addition, interest rate increases can cause the price of a debt security to decrease and even lead to a loss of principal.

Liquidity Risk. Liquidity risk is the risk that the Fund will experience significant net withdrawals of Fund shares at a time when it cannot find willing buyers for its portfolio securities or can only sell its portfolio securities at a material loss.

Management Risk. Poor security selection or an ineffective investment strategy could cause the LGIP-MMF to underperform relevant benchmarks or other funds with a similar investment objective.

Issuer Risk. The LGIP-MMF is subject to the risk that debt issuers and other counterparties may not honor their obligations. Changes in an issuer's credit rating (e.g., a rating downgrade) or the market's perception of an issuer's creditworthiness could also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation. Also, a decline in the credit quality of an issuer can cause the price of a money market security to decrease.

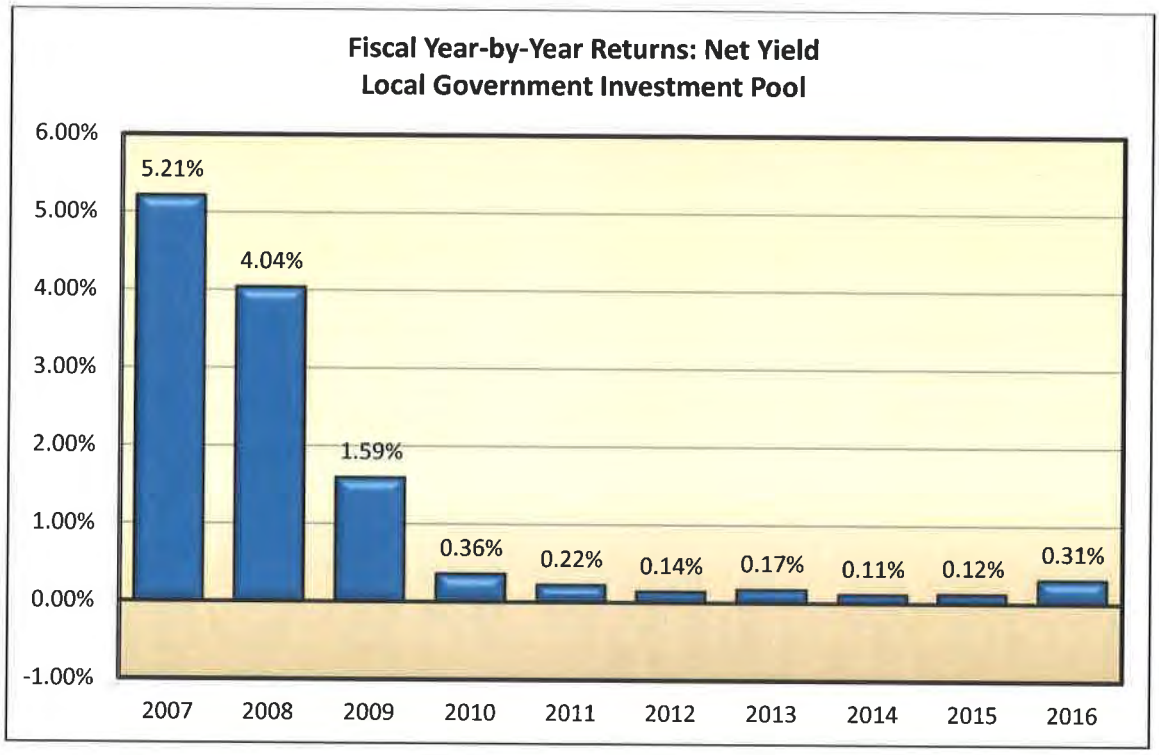
Securities Lending Risk and Reverse Repurchase Agreement Risk. The LGIP-MMF may engage in securities lending or in reverse repurchase agreements. Securities lending and reverse repurchase agreements involve the risk that the Fund may lose money because the borrower of the Fund's securities fails to return the securities in a timely manner or at all or the Fund's lending agent defaults on its obligations to indemnify the Fund, or such obligations prove unenforceable. The Fund could also lose money in the event of a decline in the value of the collateral provided for loaned securities or a decline in the value of any investments made with cash collateral.

Risks Associated with use of Amortized Cost. The use of amortized cost valuation means that the LGIP-MMF's share price may vary from its market value NAV per share. In the unlikely event that the State Treasurer were to determine that the extent of the deviation between the Fund's amortized cost per share and its market-based NAV per share may result in material dilution or other unfair results to shareholders, the State Treasurer may cause the Fund to take such action as it deems appropriate to eliminate or reduce to the extent practicable such dilution or unfair results.

An investment in the LGIP-MMF is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of investments at $1 per share, pool participants could lose money by investing in the LGIP-MMF. There is no assurance that the LGIP-MMF will achieve its investment objective.

Performance

The following information is intended to address the risks of investing in the LGIP-MMF. The information illustrates changes in the performance of the LGIP-MMF's shares from year to year. Returns are based on past results and are not an indication of future performance. Updated performance information may be obtained on our website at *www.tre.wa.gov* or by calling the LGIP toll-free at 800-331-3284.



Local Government Investment Pool-Money Market Fund

Average Accrued Net Yield

1 Year	3 years	5 years	10 years
0.31%	0.18%	0.17%	1.28%

Transactions: LGIP-MMF

General Information

The minimum transaction size (contributions or withdrawals) for the LGIP-MMF will be five thousand dollars. The State Treasurer may, in its sole discretion, allow for transactions of less than five thousand dollars.

Valuing Shares

The LGIP-MMF will be operated using a net asset value (NAV) calculation based on the amortized cost of all securities held such that the securities will be valued at their acquisition cost, plus accrued income, amortized daily.

The Fund's NAV will be the value of a single share. NAV will normally be calculated as of the close of business of the NYSE, usually 4:00 p.m. Eastern time. If the NYSE is closed on a particular day, the Fund will be priced on the next day the NYSE is open.

NAV will not be calculated and the Fund will not process contributions and withdrawals submitted on days when the Fund is not open for business. The time at which shares are priced and until which contributions and withdrawals are accepted is specified below and may be changed as permitted by the State Treasurer.

To the extent that the LGIP-MMF's assets are traded in other markets on days when the Fund is not open for business, the value of the Fund's assets may be affected on those days. In addition, trading in some of the Fund's assets may not occur on days when the Fund is open for business.

Transaction Limitations

The State Treasurer reserves the right at its sole discretion to set a minimum and/or maximum transaction amount from the LGIP-MMF and to limit the number of transactions, whether contribution, withdrawal, or transfer permitted in a day or any other given period of time.

The State Treasurer also reserves the right at its sole discretion to reject any proposed contribution, and in particular to reject any proposed contribution made by a pool participant engaged in behavior deemed by the State Treasurer to be abusive of the LGIP-MMF.

A pool participant may transfer funds from one LGIP-MMF account to another subject to the same time and contribution limits as set forth in WAC 210.10.060.

Contributions deposited by ACH will be unavailable for withdrawal for a period of five business days following receipt of funds

Contributions

Pool participants may make contributions to the LGIP-MMF on any business day. All contributions will be effected by electronic funds to the account of the LGIP-MMF designated by the State Treasurer. It is the responsibility of each pool participant to pay any bank charges associated with such electronic transfers. Failure to submit funds by a pool participant after notification to the State Treasurer of an intended transfer will result in penalties. Penalties for failure to timely submit will be assessed to the account of the pool participant responsible.

Notice of Wire contribution. To ensure same day credit, a pool participant must inform the State Treasurer of any contribution over one million dollars no later than 9 a.m. on the same day the contribution is made. Contributions for one million dollars or less can be requested at any time prior to 10 a.m. on the day of contribution. For all other contributions over one million dollars that are requested prior to 10 a.m., a pool participant may receive same day credit at the sole discretion of the State Treasurer. Contributions that receive same day credit will count, for earnings rate purposes, as of the day in which the contribution was made. Contributions for which no notice is received prior to 10:00 a.m. will be credited as of the following business day.

Notice of ACH contribution. A pool participant must inform the State Treasurer of any contribution submitted through ACH no later than 2:00 p.m. on the business day before the contribution is made. Contributions that receive same day credit will count, for earnings rate purposes, as of the day in which the contribution was made. Contributions for which proper notice is not received as described above will not receive same day credit, but will be credited as of the next business day from when the contribution is made. Contributions deposited by ACH will be unavailable for withdrawal for a period of five business days following receipt of funds.

Notice of contributions may be given by calling the Local Government Investment Pool (800-331-3284) OR by logging on to State Treasurer's Treasury Management System ("TMS"). Please refer to the LGIP-MMF Operations Manual for specific instructions regarding contributions to the LGIP-MMF.

Direct deposits from the State of Washington will be credited on the same business day.

Pricing. Contribution requests received in good order will receive the NAV per unit of the LGIP-MMF next determined after the order is accepted by the State Treasurer on that contribution date.

Withdrawals

Pool participants may withdraw funds from the LGIP-MMF on any business day. Each pool participant shall file with the State Treasurer a letter designating the financial institution at which funds withdrawn from the LGIP-MMF shall be deposited (the "Letter"). This Letter shall contain the name of the financial institution, the location of the financial institution, the account name, and the account number to which funds will be deposited. This Letter shall be signed by local officials authorized to receive and disburse funds, as described in WAC 210-10-020. Disbursements from the LGIP-MMF will be effected by electronic funds transfer. Failure by the State Treasurer to transmit funds to a pool participant after proper notification to the State Treasurer to disburse funds to a pool participant may result in a bank overdraft in the pool participant's bank account. The State Treasurer will reimburse a pool participant for such bank overdraft penalties charged to the pool participant's bank account.

Notice of Wire withdrawal. In order to withdraw funds from the LGIP-MMF, a pool participant must notify the State Treasurer of any withdrawal over one million dollars no later than 9 a.m. on the same day the withdrawal is made. Withdrawals for one million dollars or less can be requested at any time prior to 10 a.m. on the day of withdrawal. For all other withdrawals from the LGIP-MMF over one million dollars that are requested prior to 10 a.m., a pool participant may receive such withdrawal on the same day it is requested at the sole discretion of the State Treasurer. No earnings will be credited on the date of withdrawal for the amounts withdrawn. Notice of withdrawals may be given by calling the Local Government Investment Pool (800-331-3284) OR by logging on to TMS. Please refer to the LGIP-MMF Operations Manual for specific instructions regarding withdrawals from the Fund.

Notice of ACH withdrawal. In order to withdraw funds from the LGIP-MMF, a pool participant must notify the State Treasurer of any withdrawal by ACH no later than 2 p.m. on the prior business day the withdrawal is requested. No earnings will be credited on the date of withdrawal for the amounts withdrawn.

Notice of withdrawals may be given by calling the Local Government Investment Pool (800-331-3284) OR by logging on to TMS. Please refer to the LGIP-MMF Operations Manual for specific instructions regarding withdrawals from the Fund.

Pricing. Withdrawal requests with respect to the LGIP-MMF received in good order will receive the NAV per unit of the LGIP-MMF next determined after the order is accepted by the State Treasurer on that withdrawal date.

Suspension of Withdrawals. If the State Treasurer has determined that the deviation between the Fund's amortized cost price per share and the current net asset value per share calculated using available market quotations (or an appropriate substitute that reflects current market conditions) may result in material dilution or other unfair results, the State Treasurer may, if it has determined irrevocably to liquidate the Fund, suspend withdrawals and payments of withdrawal proceeds in order to facilitate the permanent termination of the Fund in an orderly manner. The State Treasurer will distribute proceeds in liquidation as soon as practicable, subject to the possibility that certain assets may be illiquid, and subject to subsequent distribution, and the possibility that the State Treasurer may need to hold back a reserve to pay expenses.

The State Treasurer also may suspend redemptions if the New York Stock Exchange suspends trading or closes, if US bond markets are closed, or if the Securities and Exchange Commission declares an emergency. If any of these events were to occur, it would likely result in a delay in the pool participants' redemption proceeds.

The State Treasurer will notify pool participants within five business days of making a determination to suspend withdrawals and/or irrevocably liquidate the fund and the reason for such action.

Earnings and Distribution

LGIP-MMF Daily Factor

The LGIP-MMF daily factor is a net earnings figure that is calculated daily using the investment income earned (excluding realized gains or losses) each day, assuming daily amortization and/or accretion of income of all fixed income securities held by the Fund, less the administrative fee. The daily factor is reported on an annualized 7-day basis, using the daily factors from the previous 7 calendar days. The reporting of a 7-day annualized yield based solely on investment income which excludes realized gains or losses is an industry standard practice that allows for the fair comparison of funds that seek to maintain a constant NAV of $1.00.

LGIP-MMF Actual Yield Factor

The LGIP-MMF actual yield factor is a net daily earnings figure that is calculated using the total net earnings including realized gains and losses occurring each day, less the administrative fee.

Dividends

The LGIP-MMF's dividends include any net realized capital gains or losses, as well as any other capital changes other than investment income, and are declared daily and distributed monthly.

Distribution

The total net earnings of the LGIP-MMF will be declared daily and paid monthly to each pool participant's account in which the income was earned on a per-share basis. These funds will remain in the pool and earn additional interest unless withdrawn and sent to the pool participant's designated bank account as specified on the Authorization Form. Interest earned will be distributed monthly on the first business day of the following month.

Monthly Statements and Reporting

On the first business day of every calendar month, each pool participant will be sent a monthly statement which includes the pool participant's beginning balance, contributions, withdrawals, transfers, administrative charges, earnings rate, earnings, and ending balance for the preceding calendar month. Also included with the statement will be the monthly enclosure. This report will contain information regarding the maturity structure of the portfolio and balances broken down by security type.

III. Management

The State Treasurer is the manager of the LGIP-MMF and has overall responsibility for the general management and administration of the Fund. The State Treasurer has the authority to offer additional sub-pools within the LGIP at such times as the State Treasurer deems appropriate in its sole discretion.

Administrator and Transfer Agent. The State Treasurer will serve as the administrator and transfer agent for the Fund.

Custodian. A custodian for the Fund will be appointed in accordance with the terms of the LGIP Investment Policy.

IV. Miscellaneous

Limitation of Liability

All persons extending credit to, contracting with or having any claim against the Fund offered in this Prospectus shall look only to the assets of the Fund that such person extended credit to, contracted with or has a claim against, and none of (i) the State Treasurer, (ii) any subsequent sub-pool, (iii) any pool participant, (iv) the LGIP, or (v) the State Treasurer's officers, employees or agents (whether past, present or future), shall be liable therefor. The determination of the State Treasurer that assets, debts, liabilities, obligations, or expenses are allocable to the Fund shall be binding on all pool participants and on any person extending credit to or contracting with or having any claim against the LGIP or the Fund offered in this Prospectus. There is a remote risk that a court may not enforce these limitation of liability provisions.

Amendments

This Prospectus and the attached Investment Policy may be amended from time to time. Pool participants shall receive notice of changes to the Prospectus and the Investment Policy. The amended and restated documents will be posted on the State Treasurer website: www.tre.wa.gov.

Should the State Treasurer deem appropriate to offer additional sub-pools within the LGIP, said sub-pools will be offered by means of an amendment to this prospectus.

LGIP-MMF Contact Information

Internet: www.tre.wa.gov Treasury Management System/TMS

Phone: 1-800-331-3284 (within Washington State)

Mail: Office of the State Treasurer
Local Government Investment Pool
PO Box 40200
Olympia, Washington 98504
FAX: 360-902-9044

BENTON P·U·D

- [ ] *Business Agenda*
- [ ] *Second Reading*
- [x] *Consent Agenda*
- [ ] *Info Only/Possible Action*
- [ ] *Info Only*

COMMISSION MEETING AGENDA ITEM

Subject:	Resolution No 2442 – Authorizing the General Manager to Declare a Pandemic Event	
Agenda Item No:	5e	
Meeting Date:	March 13, 2018	
Presented by:	Kevin White	*Staff Presenting Item*
Approved by (dept):	Jon Meyer JM	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration:
Motion to adopt Resolution No 2442 authorizing the General Manager to declare a pandemic event.

Recommendation/Background
The Commission adopted Resolution No. 2056 on September 22, 2009. Staff has reviewed this resolution as part of the District's Governance Policy to periodically review selected policies and have made amendments to clarify the authorization under this Resolution. The amendments authorize the General Manager to implement a partial or full facility closure when a Pandemic Emergency Event has been declared and also provide a set of Pandemic Preparedness Plan General Guidelines to follow when developing Pandemic Emergency Event subordinate plans and procedures. These amendments were discussed with the Commission on February 13, 2018.

Summary
This motion adopts Resolution No 2442 that authorizes the General Manager to declare a pandemic event and clarifies specific authorizations.

Fiscal Impact
None

RESOLUTION NO. 2442

March 13, 2018

A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
AUTHORIZING THE GENERAL MANAGER TO DECLARE A PANDEMIC EVENT
AND
ESTABLISHING CERTAIN AUTHORITIES FOR THE GENERAL MANAGER
DURING A PANDEMIC EMERGENCY EVENT

WHEREAS, the Public Utility District No. 1 of Benton County (the District) provides services that are essential to the well-being and livelihoods of the people it serves; AND

WHEREAS, an influenza pandemic could impact a large percentage of the population and last for several weeks to a few months; AND

WHEREAS, the District seeks to promote employee wellness and minimize opportunities for employees to be exposed to the disease while at work; AND

WHEREAS, a wide-spread illness among District employees may impact the provision of essential services to customers; AND

WHEREAS, the District recognizes the need to prepare for such an event to minimize its negative impact on both the District's employees and customers; AND

WHEREAS, the circumstances and conditions of a Pandemic Emergency Event are difficult to predict and may occur unexpectedly; AND

WHEREAS, in order to adequately respond to a pandemic emergency, it is appropriate to provide flexibility to the General Manager in declaring a Pandemic Emergency Event and implementing certain temporary policies identified in the District's Pandemic Preparedness Plan; AND

WHEREAS, the General Manager, in his absence, may delegate his authority during a pandemic event in accordance with the Governance of the Benton PUD Commission resolution;

NOW, THEREFORE, BE IT HEREBY RESOLVED, By the Commission of Public Utility District No. 1 of Benton County, Washington that the General Manager is authorized to declare a Pandemic Emergency Event based upon information provided by the Benton-Franklin Health District or based upon District employee illness rates; AND

BE IT FURTHER RESOLVED, That the General Manager is authorized to implement a partial or full facility closure when a Pandemic Emergency Event has been declared; AND

BE IT FURTHER RESOLVED, That the General Manager shall notify the Commission when a Pandemic Emergency Event has been declared and when it is cancelled; AND

BE IT FURTHER RESOLVED, That the General Manager is directed to develop subordinate plans and procedures to respond to a Pandemic Emergency Event in an effort to ensure critical services are provided to customers; AND

BE IT FURTHER RESOLVED, That the Pandemic Emergency Event subordinate plans and procedures will be established utilizing the attached Pandemic Preparedness Plan General Guidelines (Appendix A).

APPROVED AND ADOPTED By the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting, with notice of such meeting being given as required by law, this 13th day of March, 2018.

This Resolution supersedes Resolution No. 2056 dated September 22, 2009.

_____

Barry Bush, President

ATTEST:

_____

Lori Kays-Sanders, Secretary

APPENDIX A

Pandemic Preparedness Plan General Guidelines

- Employees may be asked to work in other areas of the District, as necessary, in the event of a declared pandemic emergency.
- The General Manager may limit essential work-related domestic travel by employees and may eliminate non-essential work-related domestic travel by employees for the duration of the pandemic event.
- A Sick Hotline will be established and activated when absences during a pandemic event begin impacting District business.
- In order to protect the healthy workforce, the District has the right to send employees home who appear to be ill.
    - As an exception to normal policy, employees may opt to use either any available accrued paid leave or take leave without pay.
- During an event, some employees may be authorized to work from home (telecommute) based on the nature of their work, business need, and ability to access work functions remotely.
- When a pandemic event is declared, modifications may be made to employee work schedules to facilitate social distancing, ensure critical services are met, or for other business needs.
- Personal Protective Equipment (PPE) will be available to employees in the event of a pandemic emergency to limit employee exposure.

RESOLUTION NO. ~~2056~~_____

March 13, 2018

A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
AUTHORIZING THE GENERAL MANAGER TO DECLARE A PANDEMIC EVENT
AND
ESTABLISHING CERTAIN AUTHORITIES FOR THE GENERAL MANAGER
DURING A PANDEMIC EMERGENCY EVENT

WHEREAS, the Public Utility District No. 1 of Benton County (the District) provides services that are essential to the well-being and livelihoods of the people it serves; AND

WHEREAS, an influenza pandemic could impact a large percentage of the population and last for several weeks to a few months; AND

WHEREAS, the District seeks to promote employee wellness and minimize opportunities for employees to be exposed to the disease while at work; AND

WHEREAS, a wide-spread illness among District employees may impact the provision of essential services to customers; AND

WHEREAS, the District recognizes the need to prepare for such an event to minimize its negative impact on both the District's employees and customers; AND

WHEREAS, the circumstances and conditions of a Pandemic Emergency Event are difficult to predict and may occur unexpectedly; AND

WHEREAS, in order to adequately respond to a pandemic emergency, it is appropriate to provide flexibility to the General Manager in declaring a Pandemic Emergency Event and implementing certain temporary policies identified in the District's Pandemic Preparedness Plan; AND

WHEREAS, the General Manager, in his absence, may delegate his authority during a pandemic event in accordance with the Governance of the Benton PUD Commission resolution;

NOW, THEREFORE, BE IT HEREBY RESOLVED, By the Commission of Public Utility District No. 1 of Benton County, Washington that the General Manager is authorized to declare a Pandemic Emergency Event based upon information provided by the Benton-Franklin Health District or based upon District employee illness rates; AND

BE IT FURTHER RESOLVED, That the General Manager is authorized to implement a partial or full facility closure when a Pandemic Emergency Event has been declared; AND

~~BE IT FURTHER RESOLVED, That for the duration of the Pandemic Emergency Event, the General Manager is authorized to suspend certain existing Commission policies for the purpose of mitigating the impact of the pandemic on employees and customers; AND~~

BE IT FURTHER RESOLVED, That the General Manager shall notify the Commission when a Pandemic Emergency Event has been declared and when ~~existing Commission policies are suspended~~ it is cancelled; AND

BE IT FURTHER RESOLVED, That the General Manager is directed to develop subordinate plans and procedures to respond to a Pandemic Emergency Event in an effort to ensure critical services are provided to customers~~.~~; AND

BE IT FURTHER RESOLVED, That the Pandemic Emergency Event subordinate plans and procedures will be established utilizing the attached Pandemic Preparedness Plan General Guidelines (Appendix A).

APPROVED AND ADOPTED By the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting, with notice of such meeting being given as required by law, this 13th day of March, 2018.

This Resolution supersedes Resolution No. 2056 dated September 22, 2009.

_____

Barry Bush, President

ATTEST:

_____

Lori Kays-Sanders, Secretary

APPENDIX A

Pandemic Preparedness Plan General Guidelines

- Employees may be asked to work in other areas of the District, as necessary, in the event of a declared pandemic emergency.
- The General Manager may limit essential work-related domestic travel by employees and may eliminate non-essential work-related domestic travel by employees for the duration of the pandemic event.
- A Sick Hotline will be established and activated when absences during a pandemic event begin impacting District business.
- In order to protect the healthy workforce, the District has the right to send employees home who appear to be ill.
    - As an exception to normal policy, employees may opt to use either any available accrued paid leave or take leave without pay.
- During an event, some employees may be authorized to work from home (telecommute) based on the nature of their work, business need, and ability to access work functions remotely.
- When a pandemic event is declared, modifications may be made to employee work schedules to facilitate social distancing, ensure critical services are met, or for other business needs.
- Personal Protective Equipment (PPE) will be available to employees in the event of a pandemic emergency to limit employee exposure.

DRAFT

BENTON P.U.D

- [ ] *Business Agenda*
- [ ] *Second Reading*
- [x] *Consent Agenda*
- [ ] *Info Only/Possible Action*
- [ ] *Info Only*

COMMISSION MEETING AGENDA ITEM

Subject:	Resolution No. 2443 – Amending Emergency Response & Restoration Policies	
Agenda Item No:	5F	
Meeting Date:	March 13, 2018	
Presented by:	Jon Meyer	*Staff Presenting Item*
Approved by (dept):	Jon Meyer JM	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration:
Motion to adopt Resolution No. 2443 amending emergency response and restoration policies.

Recommendation/Background
The Commission adopted Resolution No. 2336 in 2015. Staff has reviewed this resolution as part of the District's Governance Policy to periodically review selected policies and have made amendments to reorganize and add clarity to the policies and procedures under this Resolution. The amendments in the policies segregate procurement requirements from non-procurement requirements in the event of an emergency and update required forms for emergency events. These amendments were discussed with the Commission on February 13, 2018.

Summary
This motion adopts Resolution No. 2443 amending the Emergency Response and Restoration Policies to reorganize and add clarity to the policies.

Fiscal Impact
None

RESOLUTION NO. 2443

March 13, 2018

A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
AMENDING EMERGENCY RESPONSE & RESTORATION POLICIES

WHEREAS, the Public Utility District No. 1 of Benton County (the District) provides services that are essential to the well-being and livelihoods of the people it serves; AND

WHEREAS, a wide-spread and/or extended loss of these essential services will require immediate action to preserve public health, protect life, and protect public property; AND

WHEREAS, in order to adequately respond to an emergency event it is appropriate to waive certain requirements relative to procurement actions and compensation; AND

WHEREAS, during emergencies formally declared by the District, the District will require that employees exempt from the Fair Labor Standards Act (FLSA) work a significant number of hours beyond their normal work day for an extended period of time; AND

WHEREAS, Court decisions and rulings from the U.S. Department of Labor have established that additional compensation paid to employees who are exempt from the FLSA will not destroy their exempt status; AND

WHEREAS, during emergencies formally declared by the District, the District will require that employees remain at the worksite during meal periods in order to gain efficiency and will provide meals at the worksite to be consumed while working; AND

WHEREAS, the Commission desires to provide fair and equitable pay and benefits for all employees of the District; AND

NOW, THEREFORE, BE IT HEREBY RESOLVED, By the Commission of Public Utility District No. 1 of Benton County, Washington that the attached set of Emergency Response and Restoration Policies be adopted; AND

BE IT FURTHER RESOLVED, That General Manager is directed to develop subordinate plans, directives and procedures that are consistent with the direction established by these policies; AND

APPROVED AND ADOPTED By the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting, with notice of such meeting being given as required by law, this 13th day of March, 2018.

This Resolution supersedes Resolution No. 2336 dated December 8, 2015.

_____

Barry Bush, President

ATTEST:

_____

Lori Kays-Sanders, Secretary

1. **The District may waive procurement competitive bidding requirements in the event of an emergency in accordance with RCW 39.04.280. As defined by RCW 39.04.280(3), emergency means unforeseen circumstances beyond the control of the municipality that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate actions is not taken.**
   - The General Manager or designee may declare an emergency exists for Procurement Procedures and waive competitive bidding requirements for contracts $60,000 and greater to address the emergency.
   - A Declaration of an Emergency for Procurement Procedures will be formally declared based on this criterion by the General Manager or designee in the form provided at Attachment 1.
   - The General Manager, Director of Engineering, or Director of Operations are granted procurement authority for emergency work or materials regardless of dollar value.
   - The Commission will be notified when an emergency is declared and competitive bidding requirements have been waived.
2. **In addition to the General Manager's authority to waive procurement competitive bidding requirements by declaring an emergency within the definition of RCW 39.04.280(3), further emergency procedures will be enacted when the criteria defined in RCW 39.04.280(3) meet additional thresholds. An event will be considered an Emergency for Non-Procurement Procedures if, at the time of the Declaration, it is estimated that approximately 20% of District customers are without power, or if it is anticipated that approximately 10% of District customers will be without power for more than 24 hours, or if it includes the loss of an integral component of the District.**
   - A Declaration of an Emergency for Non-Procurement Procedures will be formally declared based on this criterion by the General Manager or designee in the form provided at Attachment 2.
   - The Commission of Public Utility District No. 1 of Benton County, Washington (Commission) shall ratify such Declaration of Emergency as soon as practical. in the form provided at Attachment 3.
   - The Commission shall terminate such Declaration of Emergency when emergency conditions have subsided in the form provided at Attachment 4.
3. **Under a Declaration of Emergency for Non-Procurement Procedures by the District, overtime pay is authorized as follows:**
   - Exempt employee overtime pay is authorized at one-and a half times base pay, except that overtime pay for Director Level and above is not authorized.
   - Non-exempt/non-bargaining employee overtime pay shall continue to be paid under standard administration policies.
   - Bargaining employee overtime pay shall continue to be paid under terms contained in the Collective Bargaining Agreement.
   - All overtime shall be closely managed by supervisory personnel to ensure that overtime compensation is in support of prompt restoration of service or in direct connection with the Emergency Response & Restoration Plan.

4. **Under a Declaration of Emergency for Non-Procurement Procedures by the District, the District will provide meals for employees who are working and responding to the emergency in order to provide efficiencies by keeping employees at the worksite.**

5. **Under a Declaration of Emergency for Non-Procurement Procedures by the District. The General Manager may enter in to a mutual aid agreement with other utilities that will provide the basis for payment to other utilities**

ATTACHMENT NO. 1

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON
DECLARATION OF EMERGENCY
(Procurement Procedures)

WHEREAS, the Commission adopted Resolution No. _____, authorizing the General Manager to issue a Declaration of Emergency; AND

WHEREAS, Resolution No. _____ adopted Emergency Response and Restoration Policies; AND

WHEREAS, the following event has occurred, or is occurring:_____

_____

_____; AND

WHEREAS, this event falls within the definition of emergency in RCW 39.04.280(3) that unforeseen circumstances beyond the control of the District either; (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken; AND

WHEREAS, the District will waive competitive bidding requirements and award all necessary contracts on behalf of the District to address the emergency; AND

NOW THEREFORE, pursuant to Resolution No. _____, the General Manager, or designee, is declaring that a local emergency exists, this _____day of _____, 20___ .

_____ _____
General Manager or Designee Date

ATTACHMENT NO. 2

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON
DECLARATION OF EMERGENCY
(Non-Procurement Procedures)

WHEREAS, the Commission adopted Resolution No. _____, authorizing the General Manager to issue a Declaration of Emergency; AND

WHEREAS, Resolution No. _____ adopted Emergency Response and Restoration Policies; AND

WHEREAS, the following event has occurred, or is occurring:_____

_____

_____; AND

WHEREAS, current or estimated conditions within the District's service territory meet one or more of the following criteria (check all that apply):

_____approximately 20% of District customers are without power

_____approximately 10% of District customers will be without power for more than 24 hours

_____the loss of an integral component of the District has occurred; AND

WHEREAS, the wide-spread and/or extended loss of essential services requires immediate action to preserve public health, protect life, and protect public property; AND

NOW THEREFORE, pursuant to Resolution No. _____, the General Manager, or designee, is declaring that a local emergency exists, this _____day of _____, 20___ .

_____ _____
General Manager or Designee Date

ATTACHMENT NO. 3

RESOLUTION NO. _____
Month xx, Year

A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY,
RATIFYING THE DECLARATION OF EMERGENCY for Non-Procurement Procedures SIGNED
_____day of _____, 20___ .

WHEREAS, the Public Utility District No. 1 of Benton County (the District) has adopted Resolution No. _____ authorizing the General Manager or designee to sign on behalf of the District a Declaration of Emergency; AND

WHEREAS, a Declaration of Emergency was executed by the General Manager or designee on _____day of _____, 20___; AND

WHEREAS, per RCW 42.30.070, the presiding officer of a governing body may provide for a meeting site other than the regular meeting site and the notice requirements may be suspended during an emergency; AND

NOW, THEREFORE, BE IT HEREBY RESOLVED, By the Commission of Public Utility District No. 1 of Benton County, Washington that the Declaration of Emergency signed _____day of _____, 20___, by the General Manager or designee is hereby ratified.

BE IT FURTHER RESOLVED, that said Declaration of Emergency dated _____day of _____, 20___ is attached hereto and made a part of Resolution No. _____

APPROVED AND ADOPTED By the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting, with notice of such meeting being given as required by law, this _____day of _____, 20___ *(if such notice was not suspended).*

_____
Commission President

ATTEST:

_____
Commission Secretary

ATTACHMENT NO. 4

RESOLUTION NO. _____ (b)

Month xx, Year

A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY (DISTRICT),
TERMINATING THE DECLARATION OF EMERGENCY SIGNED
_____day of _____, 20___ .

WHEREAS, The District has adopted Resolution No. 2336 authorizing the General Manager, or his designee, to sign on behalf of the District, a Declaration of Emergency; AND

WHEREAS, the Declaration of Emergency was executed on _____day of _____ _____, 20___; AND

WHEREAS, said Declaration of Emergency was ratified by the Commission by Resolution _____; AND

WHEREAS, the situation that gave rise to the Declaration of Emergency has subsided; AND

NOW, THEREFORE, BE IT HEREBY RESOLVED, By the Commission of Public Utility District No. 1 of Benton County, Washington that the Declaration of Emergency signed _____day of _____, 20___, by the General Manager and ratified by the Commission is hereby terminated.

APPROVED AND ADOPTED By the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting, with notice of such meeting being given as required by law, this _____day of _____, 20___.

_____
Commission President

ATTEST:

_____
Commission Secretary

RESOLUTION NO. ~~2336~~_____

March 13, 2018

A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
AMENDING EMERGENCY RESPONSE & RESTORATION POLICIES

WHEREAS, the Public Utility District No. 1 of Benton County (the District) provides services that are essential to the well-being and livelihoods of the people it serves; AND

WHEREAS, a wide-spread and/or extended loss of these essential services will require immediate action to preserve public health, protect life, and protect public property; AND

WHEREAS, in order to adequately respond to an emergency event it is appropriate to waive certain requirements relative to procurement actions and compensation; AND

WHEREAS, during emergencies formally declared by the District, the District will require that employees exempt from the Fair Labor Standards Act (FLSA) work a significant number of hours beyond their normal work day for an extended period of time; AND

WHEREAS, Court decisions and rulings from the U.S. Department of Labor have established that additional compensation paid to employees who are exempt from the FLSA will not destroy their exempt status; AND

WHEREAS, during emergencies formally declared by the District, the District will require that employees remain at the worksite during meal periods in order to gain efficiency and will provide meals at the worksite to be consumed while working; AND

WHEREAS, the Commission desires to provide fair and equitable pay and benefits for all employees of the District; AND

NOW, THEREFORE, BE IT HEREBY RESOLVED, By the Commission of Public Utility District No. 1 of Benton County, Washington that the attached set of Emergency Response and Restoration Policies be adopted; AND

BE IT FURTHER RESOLVED, That General Manager is directed to develop subordinate plans, directives and procedures that are consistent with the direction established by these policies; AND

APPROVED AND ADOPTED By the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting, with notice of such meeting being given as required by law, this 13th day of March, 2018.

This Resolution supersedes Resolution No. 2336 dated December 8, 2015.

_____
Barry Bush, President

ATTEST:

_____
Lori Kays-Sanders, Secretary

1. **The District may waive procurement competitive bidding requirements in the event of an emergency in accordance with RCW 39.04.280. As defined by RCW 39.04.280(3), emergency means unforeseen circumstances beyond the control of the municipality that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate actions is not taken.**

   - The General Manager or designee may declare an emergency exists for Procurement Procedures and waive competitive bidding requirements for contracts $60,000 and greater to address the emergency.
   - A Declaration of an Emergency for Procurement Procedures will be formally declared based on this criterion by the General Manager or designee in the form provided at Attachment 1.
   - The General Manager, Director of Engineering, or Director of Operations are granted procurement authority for emergency work or materials regardless of dollar value.
   - The Commission will be notified when an emergency is declared and competitive bidding requirements have been waived.

2. **In addition to the General Manager's authority to waive procurement competitive bidding requirements by declaring an emergency within the definition of RCW 39.04.280(3), further emergency procedures will be enacted when the criteria defined in RCW 39.04.280(3) meet additional thresholds. An event will be considered an Emergency for Non-Procurement Procedures if, at the time of the Declaration, it is estimated that approximately 20% of District customers are without power, or if it is anticipated that approximately 10% of District customers will be without power for more than 24 hours, or if it includes the loss of an integral component of the District.**

   - A Declaration of an Emergency for Non-Procurement Procedures will be formally declared based on this criterion by the General Manager or designee in the form provided at Attachment ~~1~~2.
   - The Commission of Public Utility District No. 1 of Benton County, Washington (Commission) shall ratify such Declaration of Emergency as soon as practical. ~~and, as such, may need to waive notice of open meeting requirements as required by law~~ in the form provided at Attachment ~~3~~2.
   - The Commission shall terminate such Declaration of Emergency when emergency conditions have subsided in the form provided at Attachment ~~4~~3.

3. **Under a Declaration of Emergency for Non-Procurement Procedures by the District, overtime pay is authorized as follows:**

   - Exempt employee overtime pay is authorized at one-and a half times base pay, except that overtime pay for Director Level and above is not authorized.
   - Non-exempt/non-bargaining employee overtime pay shall continue to be paid under standard administration policies.
   - Bargaining employee overtime pay shall continue to be paid under terms contained in the

Collective Bargaining Agreement.

- All overtime shall be closely managed by supervisory personnel to ensure that overtime compensation is in support of prompt restoration of service or in direct connection with the Emergency Response & Restoration Plan.

4. **Under a Declaration of Emergency** for Non-Procurement Procedures **by the District, the District will** provide meals for employees who are working and responding to the emergency in order to provide efficiencies by keeping employees at the worksite. ~~require that employees remain available during normal meal periods and will need to provide for or reimburse for meals consumed while working.~~

4.5. Under a Declaration of Emergency for Non-Procurement Procedures by the District. The General Manager may enter in to a mutual aid agreement with other utilities that will provide the basis for payment to other utilities

~~5. Under a Declaration of Emergency by the District, the District will authorize exceptions to the District's Contract & Procurement Policies:~~

- ~~The District will develop contracting and procurement policies in compliance with Federal, State and local laws and with Federal Emergency Management Agency (FEMA) procurement requirements.~~
- ~~The General Manager will balance the need for prompt restoration of services with FEMA reimbursement rules.~~
- ~~The General Manager may delegate procurement authority.~~

~~The General Manager may enter in to a mutual aid agreement with other utilities that will provide the basis for payment to other utilities.~~

ATTACHMENT NO. 1

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON

DECLARATION OF EMERGENCY

(Procurement Procedures)

WHEREAS, the Commission adopted Resolution No. XX, authorizing the General Manager to issue a Declaration of Emergency; AND

WHEREAS, Resolution No. XX adopted Emergency Response and Restoration Policies; AND

WHEREAS, the following event has occurred, or is occurring: _____

_____

_____; AND

WHEREAS, this event falls within the definition of emergency in RCW 39.04.280(3) that unforeseen circumstances beyond the control of the District either; (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken; AND

WHEREAS, the District will waive competitive bidding requirements and award all necessary contracts on behalf of the District to address the emergency; AND

NOW THEREFORE, pursuant to Resolution No. XX, the General Manager, or designee, is declaring that a local emergency exists, this _____ day of _____, 20___.

_____

General Manager or Designee Date

ATTACHMENT NO. 21

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON

DECLARATION OF EMERGENCY

(Non-Procurement Procedures)

WHEREAS, the Commission adopted Resolution No. ~~2336~~XX, authorizing the General Manager to issue a Declaration of Emergency; AND

WHEREAS, Resolution No. ~~2336~~ XX adopted Emergency Response and Restoration Policies; AND

WHEREAS, the following event has occurred, or is occurring:_____

_____

_____; AND

WHEREAS, current or estimated conditions within the District's service territory meet one or more of the following criteria (check all that apply):

_____approximately 20% of District customers are without power

_____approximately 10% of District customers will be without power for more than 24 hours

_____the loss of an integral component of the District has occurred; AND

WHEREAS, the wide-spread and/or extended loss of essential services requires immediate action to preserve public health, protect life, and protect public property; AND

NOW THEREFORE, pursuant to Resolution No. ~~2336~~XX, the General Manager, or designee, is declaring that a local emergency exists, this _____day of _____, 20___

.

_____ _____

General Manager or Designee Date

ATTACHMENT NO. 32

RESOLUTION NO. _____
Month xx, Year

A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY,
RATIFYING THE DECLARATION OF EMERGENCY for Non-Procurement Procedures SIGNED
_____day of _____, 20___ .

WHEREAS, the Public Utility District No. 1 of Benton County (the District) has adopted Resolution No. 2336 XX authorizing the General Manager or designee to sign on behalf of the District a Declaration of Emergency; AND

WHEREAS, a Declaration of Emergency was executed by the General Manager or designee on _____day of _____, 20___; AND

WHEREAS, per RCW 42.30.070, the presiding officer of a governing body may provide for a meeting site other than the regular meeting site and the notice requirements may be suspended during an emergency; AND

NOW, THEREFORE, BE IT HEREBY RESOLVED, By the Commission of Public Utility District No. 1 of Benton County, Washington that the Declaration of Emergency signed _____day of _____, 20___, by the General Manager or designee is hereby ratified.

~~BE IT FURTHER RESOLVED, that the notice requirement for this meeting is waived per RCW 42.030.070 *(if notice is suspended)*~~

BE IT FURTHER RESOLVED, that said Declaration of Emergency dated _____day of _____, 20___ is attached hereto and made a part of Resolution No. _____

APPROVED AND ADOPTED By the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting, with notice of such meeting being given as required by law, this _____day of _____, 20___ *(if such notice was not suspended).*

_____
Commission President

ATTEST:

_____
Commission Secretary

ATTACHMENT NO. 3

RESOLUTION NO. _____ (b)

Month xx, Year

A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY (DISTRICT),
TERMINATING THE DECLARATION OF EMERGENCY SIGNED
_____day of _____, 20___ .

WHEREAS, The District has adopted Resolution No. 2336 authorizing the General Manager, or his designee, to sign on behalf of the District, a Declaration of Emergency; AND

WHEREAS, the Declaration of Emergency was executed on _____day of _____ _____, 20___; AND

WHEREAS, said Declaration of Emergency was ratified by the Commission by Resolution _____; AND

WHEREAS, the situation that gave rise to the Declaration of Emergency has subsided; AND

NOW, THEREFORE, BE IT HEREBY RESOLVED, By the Commission of Public Utility District No. 1 of Benton County, Washington that the Declaration of Emergency signed _____day of _____, 20___, by the General Manager and ratified by the Commission is hereby terminated.

APPROVED AND ADOPTED By the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting, with notice of such meeting being given as required by law, this _____day of _____, 20___.

_____
Commission President

ATTEST:

_____
Commission Secretary

	Business Agenda
	Second Reading
X	*Consent Agenda*
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Contract Award Recommendation for Contract #18-18-01 – Survalent Technology, Inc.	
Agenda Item No:	5g	
Meeting Date:	March 13, 2018	
Presented by:	Jennifer Holbrook	*Staff Presenting Item*
Approved by (dept):	Stephen B. Hunter	*Director/Manager*
Approved for Commission review:	Chad B. Bartram	*General Manager/Asst GM*

Motion for Commission Consideration

Motion authorizing the General Manager on behalf of the District to sign a three year contract purchase order with Survalent Technology, Inc., Contract #18-18-01, to provide software maintenance and support for the SCADA software for a not-to-exceed amount of $56,115.00 plus WA St. Sales Tax and an expiration date at December 31, 2020.

Background

The District has historically had a Platinum SCADA Support Plan from Survalent to provide software maintenance and technical support 24 hours per day. The support plans have been a year at a time; however this year, Survalent has provided the District an option to enter into a three year agreement at a savings of $3,300 per year.

Summary

Entering into this agreement with Survalent Technology, Inc. will allow for continued software maintenance and support over the next three years.

Fiscal Impact

The Platinum Support Plan costs have been budgeted in the Operating Budget for Department 18. Entering into this three year agreement, will provide an annual savings of $3,300.

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	Business Agenda
	Second Reading
X	*Consent Agenda*
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Contract Change Order #1 – Robinson Brothers Construction - #17-10	
Agenda Item No:	5A	
Meeting Date:	March 13, 2018	
Presented by:	Rick Dunn	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration

Motion to authorize the General Manger on behalf of the District to sign Change Order #1 of Contract #17-10 for Vista & Orchardview Node Cabinet Replacement with Robinson Brothers Construction of Vancouver, WA for an increase to the not-to-exceed amount by $25,446.60; bringing the new not-to-exceed amount of the contract to $151,306.11 plus Washington State sales tax in accordance with RCW 54.04.080 and extend the term of the contract to July 31, 2018.

Background

Additional cost to the project is needed for relocation of a Benton PUD Cabinet as well as electrical work and trenching for electrical. The cabinet was originally set in a non-approved Bonneville Power Administration area and needs to be relocated to the approved permitted area. The electrical work is due to Benton PUD requesting trenching to a different transformer.

Summary

Relocation of the Benton PUD Cabinet was not originally included in the contract and is required to perform the necessary work required for the project.

Fiscal Impact

This project was budgeted for the work to be completed in 2017. The 2018 Broadband budget includes $700,000 for contract labor. Expenses for Contract #17-10 may require a budget amendment depending on other project costs and whether the overall year-end financial objectives for the broadband and business can be achieved or not.

NoaNet Northwest Open Access Network

Benton PUD BROADBAND Making the world local.

Contract No. RFP 17-10

SOUTHCENTRAL WASHINGTON Area OSP Construction Project

PART IV CONTRACT FORMS

SECTION 7 CHANGE ORDER

Public Utility District NO. 1 of Benton County

Change Order #: 1 Date: February 9, 2018

Nature of the Change:

1. Relocation of BPUD Cabinet and electrical work

Justification of Change:

1. Units listed in change order 1 were not originally included in the contract and are required to perform the necessary work required for the project. The Orchard View cabinet was set in a non-permitted BPA location and therefor needs to be relocated. BPUD requested we trench to a different transformer which required additional work.

Cabinet Relocation
Removes existing pad site and follow ducts back to remove all 90 degree bends. Remove and relocate PUD vault. Re-trench ducts to new pad site location. Pour new concrete pad site with associated reinforcement. Re-landscape area. RBC will provide all materials

Labor and Material Total: $15,126.60 Est Qty: 1

Electrical Trench:
Provide and place approximately 180' of 1-2" scheduled 40 PVC pipe. Trench will go from existing transformer in substation through the gate into the asphalt driveway then continue to the new pad site through a grass area. Re-landscape area. RBC will provide materials.

Labor and Material $45.55 per foot Est Qty: 180 feet Total: $8,199.00

Electrical Work:
Supply and place 1/0 triplex, 100 AMP wire form transformer to cabinet and terminate wire at cabinet.

Labor and Material Total: $2,121.00 Est Qty: 1

Standard Rate for de-energization, 2 Man crew to place wire

Labor and Material: $248.00 per hour

The changes result in the following adjustment of Contract Price and Time:

Contract value prior to this change order

$ 125,859.51

(not including sales tax).

Net increase ~~(decrease)~~ resulting from this change order

$ 25,446.60

(not including sales tax).

Current contract price including this change order

$ 151,306.11

(not including sales tax).

Net increase (decrease) in completion time resulting from this change order

no change

Current completion time including this change order.

April 30, 2018

The above changes are recommended by:

By: Chris Walker Title: Telecommunications Director

Date: February 9, 2018

The above changes are approved by:

By: Michelle Ochweri Title: Manager of Contracts

Date:

Agreement

For good and valuable consideration and in consideration of payment of the Change Order Amount (if any) stated above and of the extension of time (if any) stated above, Contractor agrees to the terms of this Change Order. By signing this Change Order, Contractor relinquishes any and all claims and/or damages, of any nature whatsoever, direct or indirect, known or unknown, it may have against NoaNet, its employees or agents, arising out of the change described in section 1 above, except for claims for payment of that amount specified in section 2 above and that extension of time listed in section 3 above.

All of the terms, conditions, and provisions of the above specified Contract, except as expressly modified by this and previous change orders, remain in full force and effect. Robinson Brothers

Construction certifies that the attached claims reflect payment for materials furnished, services rendered or labor performed described, and reimbursable expenses incurred, and that, to the best of his/her knowledge and belief, the attached claims are just, true, due, and obligations of Contract #17-10.

DATED this ____day of ____February_____, 2018.

CONTRACTOR

_____Robinson Brothers Construction._____

By: _____
(Signature)
Title: _____

_____
(Typed/Printed Name and Title)

Public Utility District NO. 1 of Benton County
" Benton PUD"

By: _____
Steve B. Hunter, Assistant General Manager

Change Order processing:

By:_____ Title: _____
Date: _____

Controller Approval Date: _____

BENTON P·U·D

	Business Agenda
	Second Reading
X	*Consent Agenda*
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Bid Package #17-16 – Operations Dispatch Monitor Procurement and Installation	
Agenda Item No:	5i	
Meeting Date:	March 13, 2018	
Presented by:	Chris Folta CF	*Staff Presenting Item*
Approved by (dept):	Stephen B. Hunter SBH	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration

Motion to reject all bids received for Bid Package #17-16 – Operations Dispatch Monitor Procurement and Installation based on new product development.

Background

Bids were opened on January 10, 2018 at 2:00 pm for the procurement and installation of eight (8) 55 inch LCD display panels, a video processor/controller, display mounts, and associated software and cabling. During the process of reviewing the bids, District staff was made aware of a new display technology that offers longer life, easier maintenance access, and slimmer bezels. Additionally, this new technology utilizes a computer network-based architecture that will allow any number of inputs and outputs as compared to the maximum of 9 inputs that was specified in the original bid.

Bidder	Bid Price
Diversified dba Compview	$87,676.51 incl. warranty/service for 3 years
Live Wall Media Inc.	$88,744.00 incl. warranty/service for 3 years
Diversified dba Compview	$117,480.97 incl. warranty/service for 3 years

Summary

Staff recommends the District reject all received bids for Bid Package #17-16 and re-issue a bid based on the newly learned information.

Fiscal Impact

The 2018 budget 15-138 includes $110,000 for the procurement and installation of the Operations Dispatch Monitors.

BENTON P.U.D

- [ ] *Business Agenda*
- [ ] *Second Reading*
- [x] *Consent Agenda*
- [ ] *Info Only/Possible Action*
- [ ] *Info Only*

COMMISSION MEETING AGENDA ITEM

Subject:	Bid Package #18-01 – Asphalt Replacement Administration Parking Lot	
Agenda Item No:	5j	
Meeting Date:	March 13, 2018	
Presented by:	John Schafer	*Staff Presenting Item*
Approved by (dept):	Stephen B. Hunter	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration

Motion to reject all bids received for Bid Package #18-01 – Asphalt Replacement Administration Parking Lot based on funding.

Background

The District requested bids to replace existing asphalt in front of Customer Service area and west parking lot. The District received three (3) bids; listed below are the results:

A-Line Paving, LLC	$101,286.75
Inland Asphalt Co.	$150,000.00
Granite Construction Co.	$184,675.00

This project is being deferred to help with cost of replacing the aging Administration building's HVAC system.

Summary

District staff recommends that the Commission rejects all bids for Bid Package #18-01 for 2018 and review for budget 2019.

Fiscal Impact

This was a 2018 budgeted item in the amount of $120,000.00, which will be used to help with cost of replacing the Administration building's HVAC system.

	Business Agenda
	Second Reading
x	*Consent Agenda*
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Community Involvement Update	
Agenda Item No:	5K	
Meeting Date:	March 13, 2018	
Presented by:	Karen Miller & Jodi Henderson	*Staff Presenting Item*
Approved by (dept):	Chad Bartram	*Director/Manager*
Approved for Commission review:	Chad Bartram	*General Manager/Asst GM*

Motion for Commission Consideration:

Information only – no action requires.

Recommendation/Background

The attached report is being provided to the Commission as information relating to the District's community involvement and public outreach as addressed in the Strategic Plan and under the authority granted by Resolution No. 1924, *Establishing District policy regarding District membership/participation in certain community organizations* and Resolution No. 2306, *Establishing District policy regarding customer engagement through community involvement*.

Summary

Benton PUD's staff continues to be involved in the community through organizations, community events and public outreach opportunities. This outreach supports our goal to be our customers' trusted energy partner as well as promote Benton PUD's products and services.

Fiscal Impact

No financial impact associated with this report.

Communications & Government Relations MEMO

To: Benton PUD Commissioners and Chad Bartram

From: Karen Miller and Jodi Henderson

Date: February 18, 2018

Re: Community Outreach Recap 2017

The 2017 Strategic Plan, listed under the *Customer Value* Strategic Anchor, has the action item – *Support employee involvement in community organizations that demonstrates the District's ongoing commitment to remain a valued community partner.* The Strategic Plan and Resolution 2306 regarding community involvement both recognize the business benefits associated with involvement in the community through memberships, associations, events and advertising.

Below is a recap of Benton PUD's public outreach and community involvement in 2017.

Helping our customers in need

- Customer Service Representatives promoted Helping Hands by asking all who walk in to donate and track the donations on displays in the lobby. This year the promotion raised $6,104, exceeding the goal of $4,500. Helping Hands is promoted in the media, bill inserts, and in the newsletter. Employees are also generous donators to Helping Hands.
- The annual "Senior Day" was held to provide customers help in enrollment for the Low Income Senior discount. There were about 200 attendees.
- Employees participated in the annual United Way campaign. This year, 58 employees pledged $24,412.96 which exceeded the past five years contributions.
- Employees collected several boxes of toys for the Eagle Radio Toy Drive which distributes toys to several nonprofit organizations. Employees also collected food for the Tri-Cities Food Bank and animal food for the Benton Franklin Humane Society.

Engaging our customers on changing utility issues

- A series of *Plug Into Your Future* meetings were held on: 1) The Changing Utility, 2) Benton PUD Broadband and 3) Emerging Technologies.
- Two meetings were held on our proposed rates, one for the general public and another for our Key Account customers.
- Chad Bartram presented "The Changing Utility" to the Columbia Center Rotary.
- A public meeting was held in conjunction with the City of Richland Energy Services on the Sunset Road-to-Reata Road transmission project. We continued to update the public on the new substation located on Leslie Road in Richland.

Promoting products and services

- We participated at the networking session at the Tri-City Regional Chamber of Commerce annual meeting with an information table to promote SmartHub and used iPads to demonstrate the ease of use and the information available on SmartHub.
- Two open houses were held to assist customers with enrolling in SmartHub.
- The Senior Day event included presentations on SmartHub and conservation.

Promoting electrical safety

- High-voltage safety trailer demonstrations were conducted at the Benton Conservation District's Salmon Summit, Benton PUD's Future Employee Day and an event for homeschoolers, Hanford Safety Expo, Kennewick Police Department's Crossing Guard picnic, Prosser Heights Elementary, Prosser's States Day parade, Touch-a-truck event in Prosser and more.
- Staff participated in the City of Kennewick's National Night Out event and handed out electrical safety bags to children.
- Electrical safety material was distributed to local media to raise awareness on the importance of being safe around downed power lines.
- Electrical safety was promoted at the Family Learning Fair (Finley Elementary) and annual Trunk-or-Treat event in Prosser.

Promoting and educating others about our energy resources

- The District collaborated with the Benton Conservation District to present Salmon Power classes (4th grade classrooms) with a focus on hydropower. Rachel Little, Benton Conservation District, does presentations to over 60 classes each year. She also did a presentation on Salmon Power to the Richland Kiwanis.
- Conservation and communications staff discussed energy resources with Southridge High School's AP Environmental Science class.
- The District helped organize and plan the second Energy Experience for about 600 eighth graders held at THE REACH. Staff hosted a booth/learning session on hydropower.
- Conservation staff presented information at the Science Expo in Prosser for Earth Day.
- Lawmakers and general public were educated about the value of hydropower during WPUDA's "PUD Day on the Hill" in Olympia.
- Tours were provided of our community solar projects and "Benton PUD's Solar Connections" was presented to Kiwanis.

Creating future leaders

- Staff volunteered for the classroom program (Finley Elementary) for Junior Achievement.
- Benton PUD linemen participated at the Keene-Riverview Elementary Career Day.
- Human Resources staff participated in the 4th Annual "Building Bridges & Breaking Down Barriers" career fair at the TRAC.
- Staff organized and participated in "Future Employee Day at Benton PUD" with displays from the various departments about jobs available at an utility.

Community involvement

- Benton PUD supported the Prosser Chamber of Commerce's annual community awards banquet.
- Benton PUD is a member with active representatives with the following community organizations and committees:
    - Electric Vehicle Infrastructure Transportation Alliance (EVITA)
    - Mid-Columbia Energy Initiative (MCEI)
    - Prosser Economic Development Association (PEDA)
    - Tri-City Development Council (TRIDEC)
    - Tri-City Regional Chamber of Commerce
    - Tri-Cities Legislative Council
    - Visit TRI-CITIES
    - Prosser Chamber of Commerce

	Business Agenda
	Second Reading
	Consent Agenda
	Info Only/Possible Action
X	*Info Only*

COMMISSION MEETING AGENDA ITEM

Subject:	Recognition of Conflict of Interest Requirements – Code of Conduct Acknowledgement, Governance of the Benton PUD Commission	
Agenda Item No:	7a	
Meeting Date:	March 13, 2018	
Presented by:	Chad Bartram	*Staff Presenting Item*
Approved by (dept):	Chad Bartram	*Director/Manager*
Approved for Commission review:	Chad Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration:

No motion required. Each commissioner should individually acknowledge that they understand their conflict of interest disclosure responsibilities as defined in RCW 42.23 and as stated and adopted under the Governance of the Benton PUD Commission, Policy No. 6 Code of Conduct. The minutes will reflect this acknowledgement.

Recommendation/Background

The Governance of the Benton PUD Commission, Policy No. 6, Code of Conduct, states that each commissioner will annually acknowledge their responsibility to disclose conflicts of interest, as further defined in RCW 42.23.

Policy No. 6 also states that each commissioner will disclose, on a case by case basis, to the other commissioners, in a public forum, such interests as defined in RCW 42.23, with such disclosure being noted in the District's official minutes.

Policy No. 6 and a copy of the referenced statutes are attached for your review.

Summary

Annual review of each commissioner's obligation to report potential conflicts of interest and acknowledgement of that requirement will meet the intent of Policy No. 6 of the Governance of the Benton PUD Commission.

Fiscal Impact

None.

POLICY NO. 6 COMMISSION MEMBERS' CODE OF CONDUCT

Ethics and Conflicts of Interest:

a) Commission members shall conduct themselves in accordance with all laws. The State of Washington has adopted a "Code of Ethics" that applies to all municipal officers, codified under RCW 42.23. The declared purpose of the Code of Ethics is to make uniform the laws of the State concerning the transaction of business by municipal officers in conflict with the proper performance of their duties in the public interest, and to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict.

b) Commission members are strictly prohibited by law from entering into or engaging in any activity defined by RCW 42.23 as a conflict of interest with their official duties as a Benton PUD Commissioner.

c) On an annual basis and in a public forum, each Commissioner shall acknowledge their obligation to disclose any conflicts of interest as defined in RCW 42.23.

d) On a case by case basis, each Commission member will disclose to the other Commission members, in a public forum, any remote conflicts of interest as defined under RCW 42.23. Disclosure will be noted in the District's official minutes which are public record. A Commissioner with such remote interest will not participate in any discussion and/or debate concerning such interest, will not vote on the matter, and will do nothing to influence any other Commissioner concerning their decision on the matter.

e) Commission members will adhere to the Benton PUD Code of Ethics adopted by the Commission, and shall conduct themselves with civility and respect with one another, with staff, and with members of the public.

f) Commission members shall demonstrate loyalty to the interests of Benton PUD's owners/ratepayers. This loyalty supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Commission member acting as a consumer of the District's activities.

g) Commission members may not attempt to exercise individual authority over Benton PUD except as explicitly set forth and authorized in Commission policies.

1. Commission members shall recognize the lack of authority vested in them as individuals in their interactions with the General Manager or with staff, except where explicitly authorized by the Commission.
2. In interactions with the public, press or other entities, Commission members must recognize the same limitation and the inability of any Commission member to speak for the Commission except to repeat explicitly stated and adopted Commission decisions.
3. Commission members should refrain from making statements that may put the District at a legal disadvantage.

RCW 42.23.010

Declaration of purpose.

It is the purpose and intent of this chapter to revise and make uniform the laws of this state concerning the transaction of business by municipal officers, as defined in chapter 268, Laws of 1961, in conflict with the proper performance of their duties in the public interest; and to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict wherein the private interest of the municipal officer is deemed to be only remote, to the end that, without sacrificing necessary public responsibility and enforceability in areas of significant and clearly conflicting interests, the selection of municipal officers may be made from a wider group of responsible citizens of the communities which they are called upon to serve.

[**1961 c 268 § 2.**]

RCW 42.23.020

Definitions.

For the purpose of chapter 268, Laws of 1961:

(1) "Municipality" shall include all counties, cities, towns, districts, and other municipal corporations and quasi municipal corporations organized under the laws of the state of Washington;

(2) "Municipal officer" and "officer" shall each include all elected and appointed officers of a municipality, together with all deputies and assistants of such an officer, and all persons exercising or undertaking to exercise any of the powers or functions of a municipal officer;

(3) "Contract" shall include any contract, sale, lease or purchase;

(4) "Contracting party" shall include any person, partnership, association, cooperative, corporation, or other business entity which is a party to a contract with a municipality.

[**1961 c 268 § 3.**]

RCW 42.23.030

Interest in contracts prohibited—Exceptions.

No municipal officer shall be beneficially interested, directly or indirectly, in any contract which may be made by, through or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his or her office, or accept, directly or indirectly, any compensation, gratuity or reward in connection with such contract from any other person beneficially interested therein. This section shall not apply in the following cases:

(1) The furnishing of electrical, water or other utility services by a municipality engaged in the business of furnishing such services, at the same rates and on the same terms as are available to the public generally;

(2) The designation of public depositaries for municipal funds;

(3) The publication of legal notices required by law to be published by any municipality, upon competitive bidding or at rates not higher than prescribed by law for members of the general public;

(4) The designation of a school director as clerk or as both clerk and purchasing agent of a school district;

(5) The employment of any person by a municipality for unskilled day labor at wages not exceeding two hundred dollars in any calendar month. The exception provided in this subsection does not apply to a county with a population of one hundred twenty-five thousand or more, a city with a population of more than one thousand five hundred, an irrigation district encompassing more than fifty thousand acres, or a first-class school district;

(6)(a) The letting of any other contract in which the total amount received under the contract or contracts by the municipal officer or the municipal officer's business does not exceed one thousand five hundred dollars in any calendar month.

(b) However, in the case of a particular officer of a second-class city or town, or a noncharter optional code city, or a member of any county fair board in a county which has not established a county purchasing department pursuant to RCW **36.32.240**, the total amount of such contract or contracts authorized in this subsection (6) may exceed one thousand five hundred dollars in any calendar month but shall not exceed eighteen thousand dollars in any calendar year.

(c)(i) In the case of a particular officer of a rural public hospital district, as defined in RCW **70.44.460**, the total amount of such contract or contracts authorized in this subsection (6) may exceed one thousand five hundred dollars in any calendar month, but shall not exceed twenty-four thousand dollars in any calendar year.

(ii) At the beginning of each calendar year, beginning with the 2006 calendar year, the legislative authority of the rural public hospital district shall increase the calendar year limitation described in this subsection (6)(c) by an amount equal to the dollar amount for the previous calendar year multiplied by the change in the consumer price index as of the close of the twelve-month period ending December 31st of that previous calendar year. If the new dollar amount established under this subsection is not a multiple of ten dollars, the increase shall be rounded to the next lowest multiple of ten dollars. As used in this subsection, "consumer price index" means the consumer price index compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used.

(d) The exceptions provided in this subsection (6) do not apply to:

(i) A sale or lease by the municipality as the seller or lessor;

(ii) The letting of any contract by a county with a population of one hundred twenty-five thousand or more, a city with a population of ten thousand or more, or an irrigation district encompassing more than fifty thousand acres; or

(iii) Contracts for legal services, except for reimbursement of expenditures.

(e) The municipality shall maintain a list of all contracts that are awarded under this subsection (6). The list must be made available for public inspection and copying;

(7) The leasing by a port district as lessor of port district property to a municipal officer or to a contracting party in which a municipal officer may be beneficially interested, if in addition to all other legal requirements, a board of three disinterested appraisers and the superior court in the county where the property is situated finds that all terms and conditions of such lease are fair to the port district and are in the public interest. The appraisers must be appointed from members of the American Institute of Real Estate Appraisers by the presiding judge of the superior court;

(8) The letting of any employment contract for the driving of a school bus in a second-class school district if the terms of such contract are commensurate with the pay plan or collective bargaining agreement operating in the district;

(9) The letting of an employment contract as a substitute teacher or substitute educational aide to an officer of a second-class school district that has two hundred or fewer full-time equivalent students, if the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district and the board of directors has found, consistent with the written policy under RCW **28A.330.240**, that there is a shortage of substitute teachers in the school district;

(10) The letting of any employment contract to the spouse of an officer of a school district, when such contract is solely for employment as a substitute teacher for the school district. This exception applies only if the terms of the contract are commensurate with the pay plan or collective bargaining agreement applicable to all district employees and the board of directors has found, consistent with the written policy under RCW **28A.330.240**, that there is a shortage of substitute teachers in the school district;

(11) The letting of any employment contract to the spouse of an officer of a school district if the spouse was under contract as a certificated or classified employee with the school district before the date in which the officer assumes office and the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district. However, in a second-class school district that has less than two hundred full-time equivalent students enrolled at the start of the school year as defined in *RCW **28A.150.040**, the spouse is not required to be under contract as a certificated or classified employee before the date on which the officer assumes office;

(12) The authorization, approval, or ratification of any employment contract with the spouse of a public hospital district commissioner if: (a) The spouse was employed by the public hospital district before the date the commissioner was initially elected; (b) the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district for similar employees; (c) the interest of the commissioner is disclosed to the board of commissioners and noted in the official minutes or similar records of the public hospital district prior to the letting or continuation of the contract; and (d) and the commissioner does not vote on the authorization, approval, or ratification of the contract or any conditions in the contract.

A municipal officer may not vote in the authorization, approval, or ratification of a contract in which he or she is beneficially interested even though one of the exemptions allowing the awarding of such a contract applies. The interest of the municipal officer must be disclosed to the governing body of the municipality and noted in the official minutes or similar records of the municipality before the formation of the contract.

[**2007 c 298 § 1; 2006 c 121 § 1; 2005 c 114 § 1; 1999 c 261 § 2; 1997 c 98 § 1; 1996 c 246 § 1.** Prior: **1994 c 81 § 77; 1994 c 20 § 1; 1993 c 308 § 1; 1991 c 363 § 120; 1990 c 33 § 573; 1989 c 263 § 1; 1983 1st ex.s. c 44 § 1;** prior: **1980 c 39 § 1; 1979 ex.s. c 4 § 1; 1971 ex.s. c 242 § 1; 1961 c 268 § 4.**]

NOTES:

***Reviser's note:** RCW **28A.150.040** was repealed by 2009 c 548 § 710, effective September 1, 2011.

Findings—Intent—1999 c 261: "The legislature finds that:

(1) The current statutes pertaining to municipal officers' beneficial interest in contracts are quite confusing and have resulted in some inadvertent violations of the law.

(2) The dollar thresholds for many of the exemptions have not been changed in over thirty-five years, and the restrictions apply to the total amount of the contract instead of the portion of the contract that pertains to the business operated by the municipal officer.

(3) The confusion existing over these current statutes discourages some municipalities from accessing some efficiencies available to them.

Therefore, it is the intent of the legislature to clarify the statutes pertaining to municipal officers and contracts and to enact reasonable protections against inappropriate conflicts of interest." [**1999 c 261 § 1.**]

Purpose—Captions not law—1991 c 363: See notes following RCW **2.32.180**.

Purpose—Statutory references—Severability—1990 c 33: See RCW **28A.900.100** through **28A.900.102**.

Severability—1989 c 263: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [**1989 c 263 § 3.**]

Severability—1980 c 39: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [**1980 c 39 § 3.**]

RCW 42.23.040

Remote interests.

A municipal officer is not interested in a contract, within the meaning of RCW **42.23.030**, if the officer has only a remote interest in the contract and the extent of the interest is disclosed to the governing body of the municipality of which the officer is an officer and noted in the official minutes or similar records of the municipality prior to the formation of the contract, and thereafter the governing body authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer having the remote interest. As used in this section "remote interest" means:

(1) That of a nonsalaried officer of a nonprofit corporation;

(2) That of an employee or agent of a contracting party where the compensation of such employee or agent consists entirely of fixed wages or salary;

(3) That of a landlord or tenant of a contracting party;

(4) That of a holder of less than one percent of the shares of a corporation or cooperative which is a contracting party.

None of the provisions of this section are applicable to any officer interested in a contract, even if the officer's interest is only remote, if the officer influences or attempts to influence any other officer of the municipality of which he or she is an officer to enter into the contract.

[**1999 c 261 § 3; 1961 c 268 § 5.**]

NOTES:

Findings—Intent—1999 c 261: See note following RCW **42.23.030**.

RCW 42.23.050

Prohibited contracts void—Penalties for violation of chapter.

Any contract made in violation of the provisions of this chapter is void and the performance thereof, in full or in part, by a contracting party shall not be the basis of any claim against the municipality. Any officer violating the provisions of this chapter is liable to the municipality of which he or she is an officer for a penalty in the amount of five hundred dollars, in addition to such other civil or criminal liability or penalty as may otherwise be imposed upon the officer by law.

In addition to all other penalties, civil or criminal, the violation by any officer of the provisions of this chapter may be grounds for forfeiture of his or her office.

[**1999 c 261 § 4; 1961 c 268 § 6.**]

NOTES:

Findings—Intent—1999 c 261: See note following RCW **42.23.030**.

RCW 42.23.060

Local charter controls chapter.

If any provision of this chapter conflicts with any provision of a city or county charter, or with any provision of a city-county charter, the charter shall control if it contains stricter requirements than this chapter. The provisions of this chapter shall be considered as minimum standards to be enforced by municipalities.

[**1999 c 261 § 5; 1961 c 268 § 16.**]

NOTES:

Findings—Intent—1999 c 261: See note following RCW **42.23.030**.

RCW 42.23.070

Prohibited acts.

(1) No municipal officer may use his or her position to secure special privileges or exemptions for himself, herself, or others.

(2) No municipal officer may, directly or indirectly, give or receive or agree to receive any compensation, gift, reward, or gratuity from a source except the employing municipality, for a matter connected with or related to the officer's services as such an officer unless otherwise provided for by law.

(3) No municipal officer may accept employment or engage in business or professional activity that the officer might reasonably expect would require or induce him or her by reason of his or her official position to disclose confidential information acquired by reason of his or her official position.

(4) No municipal officer may disclose confidential information gained by reason of the officer's position, nor may the officer otherwise use such information for his or her personal gain or benefit.

[**1994 c 154 § 121.**]

NOTES:

Effective date—1994 c 154: See RCW **42.52.904**.

RCW 42.23.900

Construction—Chapter applicable to state registered domestic partnerships—2009 c 521.

For the purposes of this chapter, the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to state registered domestic partnerships or individuals in state registered domestic partnerships as well as to marital relationships and married persons, and references to dissolution of marriage shall apply equally to state registered domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law. Where necessary to implement chapter 521, Laws of 2009, gender-specific terms such as husband and wife used in any statute, rule, or other law shall be construed to be gender neutral, and applicable to individuals in state registered domestic partnerships.

[**2009 c 521 § 104.**]

	Business Agenda
	Second Reading
X	*Consent Agenda*
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	WO# 527436 – Cold Creek Feeder Upgrades	
Agenda Item No:	7b	
Meeting Date:	March 13, 2018	
Presented by:	Evan Edwards	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad Bartram	*General Manager/Asst GM*

Motion for Commission Consideration:

Motion approving Work Order #527436 to upgrade the District's Cold Creek Substation feeder to meet growing capacity requirements.

Recommendation/Background

During the summer irrigation season the Cold Creek Substation feeder C1R operates at 93% of rated capacity with the limitations being small conductor and connections. The feeder has had connector failures in the past which were attributed to high loading conditions.

The District recently received a request from a corporate farming customer to install an electric service for a new 550 horsepower pump served from feeder C1R. This load addition will result in peak feeder load exceeding the conductor and connector ratings. Increasing the size of the conductors will alleviate the overload condition and is beneficial to motor starting which can cause higher than desired voltage drop on smaller conductors.

This project will: (1) upgrade the feeder getaway cable to the Districts' standard 1,000 kcmil conductor; (2) re-conductor approximately 10,000 feet of existing overhead line to 336 AAC; and (3) install a voltage regulator bank at a midpoint on the feeder.

Staff is recommending Work Order #527436 be completed by the District's contract construction crew (DJ's Electrical, Inc.) as a change order to contract #17-07.

Summary

Approval of Work Order #527436 will authorize the reconstruction of a major portion of the Cold Creek Substation feeder which will meet the requirements of a new pump load and will allow for future agricultural growth in the Cold Creek area.

Fiscal Impact

The estimated project cost is $282,065 which includes material costs of $138,124 and labor costs of $143,941. This project will be included in the District's 2018 Budget Amendment.

Projects to be Presented at the Benton PUD

Commission Meeting On

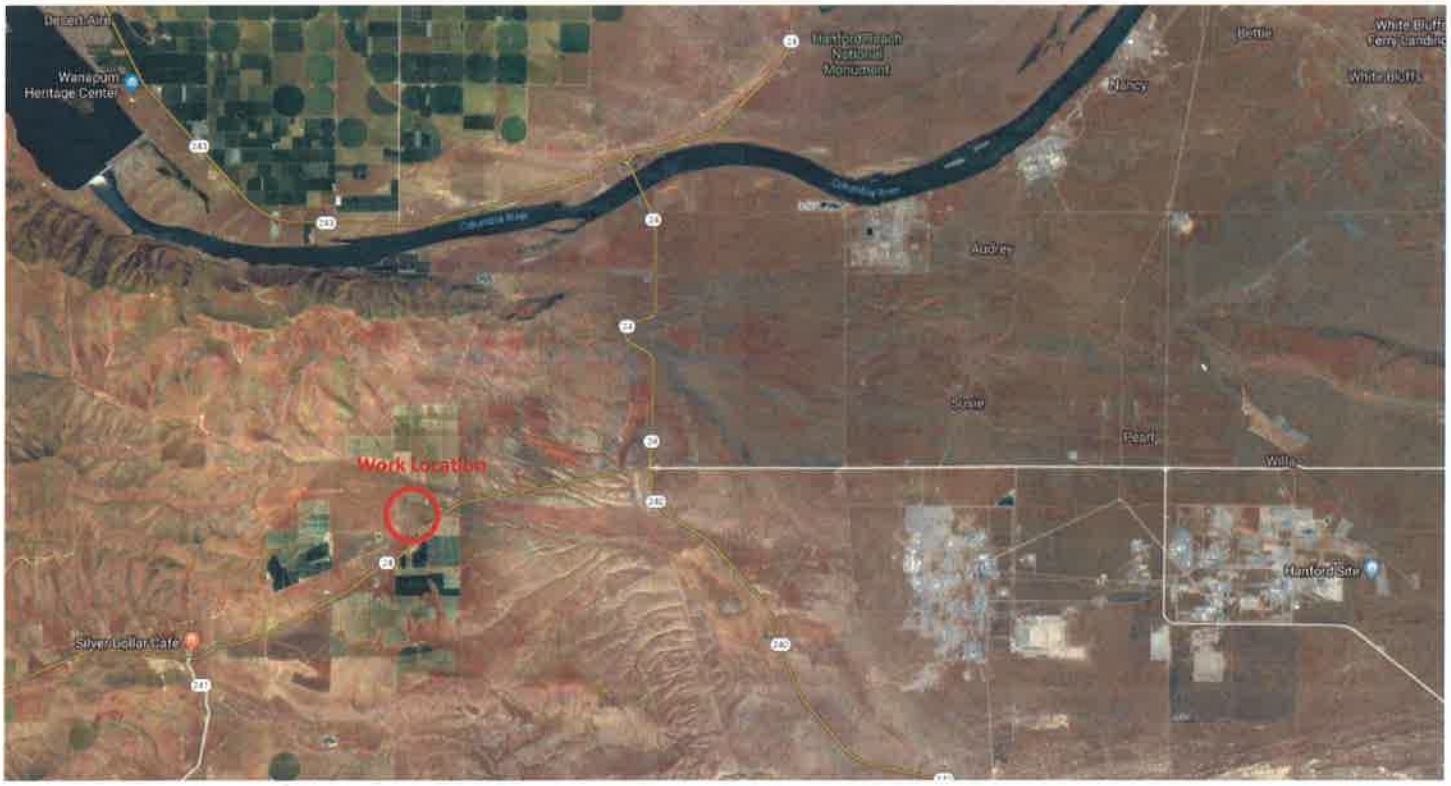
March 13th, 2018

Project Name: Cold Creek Feeder Upgrades **WO#:**527436

Location: Cold Creek Sub. Hwy 24 East of the Hanford Yakima Barricade.

Justification: Capacity deficiency due to customer service request.

Location Map



	Business Agenda
	Second Reading
X	*Consent Agenda*
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	WO# 532564 - Metaline Underground Conduit and Vault System Installation	
Agenda Item No:	7c	
Meeting Date:	March 13, 2018	
Presented by:	Evan Edwards	*Staff Presenting Item*
Approved by (dept.):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad Bartram CBB	*General Manager/Asst. GM*

Motion for Commission Consideration:

Motion to approve Work Order #532564 to install a new conduit and vault system along W. Metaline Ave. between N. Kellogg St. and N. Edison St. during the City of Kennewick Road Project.

Recommendation/Background

The District was notified by the City of Kennewick (COK) in late 2017 of plans to widen W. Metaline Ave. between N. Kellogg St. and N. Edison St. with construction beginning in mid to late 2018.

In January the District was notified that the planned construction start date changed and construction is to begin earlier than previously indicated. The District sees the COK Road project as an opportunity to install additional underground facilities that will be required for future service to the Vista Field Area fed from the District's future Canal Substation property.

This work will be completed by contract labor utilizing District provided material.

Summary

Approval of Work Order #532564 will authorize the installation of a new conduit and vault system to be utilized for future Vista Field development.

Fiscal Impact

The estimated project cost is $210,986 including material costs of $112,506 and labor costs are $98,480. This project will be included in the District's 2018 budget amendment.

Projects to be Presented at the Benton PUD Commission Meeting On March 13th, 2018

Project Name: Metaline UG Conduit & Vault System Installation **WO#:**532564

Location: W. Metaline Ave. Between N. Kellogg Ave. & N. Edison St.

Justification: Future Capacity Requirements for Vista Field Development

Location Map

	Business Agenda
	Second Reading
X	*Consent Agenda*
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	WO# 530087 - Metaline Overhead Powerline Relocation	
Agenda Item No:	7d	
Meeting Date:	March 13, 2018	
Presented by:	Evan Edwards	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration:

Motion to approve Work Order #530087 to relocate the existing overhead distribution feeder line along W. Metaline Ave. between N. Kellogg St. and N. Edison St. for City of Kennewick Road Project.

Recommendation/Background

The District was notified by the City of Kennewick (COK) in late 2017 of plans to widen W. Metaline Ave. between N. Kellogg St. and N. Edison St. with construction beginning in mid to late 2018. The existing overhead distribution line is currently located inside the COK road right of way and needs to be relocated further south to the rear of the right of way.

In January the District was notified that the planned construction start date changed and construction is to begin earlier than previously indicated. The COK requested the District move the line by the first of May.

The final design will move the line to the south edge of the COK right of way. The District's new line design will incorporate provisions for a future second overhead feeder to be added when Vista Field capacity is needed.

The COK chose not to exercise their option per a memorandum of understanding with the District to split the cost of undergrounding this portion of overhead.

Summary

Approval of Work Order #530087 will authorize the relocation of existing District facilities at the request of the COK and ensure they are placed outside the new roadway.

Fiscal Impact

The estimated project cost is $238,885.61 including material costs of $77,172.84 and labor costs are $161,712.77. This project will be included in the District's 2018 budget amendment.

Projects to be Presented at the Benton PUD Commission Meeting On March 13th, 2018

Project Name: Metaline Overhead Powerline Relocation **WO#:**530087

Location: W. Metaline Ave. Between N. Kellogg Ave. & N. Edison St.

Justification: COK road widening requires relocation

Location Map

X	*Business Agenda*
	Second Reading
	Consent Agenda
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Change Order #2 – Contract #17-07- DJ's Electrical, Inc.	
Agenda Item No:	7e	
Meeting Date:	March 13, 2018	
Presented by:	Evan Edwards	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration

Motion approving Change Order #2 to Contract #17-07 Joint Use – NESC Compliance, Cable Replacement and Construction Projects with DJ's Electrical, Inc. to increase the contract amount by $242,421 for a new total amount of $1,970,653.00 plus Washington State sales tax in accordance with RCW 54.04.080.

Background

The District approved Contract #17-07 with DJ's Electrical, Inc. (DJ's) in September of 2017 to provide supplemental labor resources needed for focused attention on underground distribution cable replacement and joint-use deficiency corrective actions. In addition, the District requested unit prices for all other District construction assemblies associated with overhead and underground distribution facilities as part of Contract #17-07. This allows DJ's to work "off the dock" on a continuous and efficient basis and makes them available to the District for other projects as needed.

It has been determined the District does not have adequate labor resources to meet the backlog of regularly scheduled construction projects and respond to the relatively fast turn-around time required by distribution system improvements associated with Work Orders #527436 (Cold Creek Substation Feeder Upgrades) and #532564 (W. Metaline Underground Feeder Installation).

Based on unit prices provided by DJ's as part of their contract with the District, staff is recommending approval of Change Order #1 to Contract #17-07 in the amount of $242,421 which includes labor charges of $143,941 and $98,480 for Work Orders #527436 and #532564 Respectively.

Summary

Approving the recommended change order will provide the District with the labor resources to meet the construction schedule required for distribution system improvements associated with Work Orders #527436 and #532564.

Fiscal Impact

The work scope included in the recommended change order was not included in the District's 2018 budget. The total cost of the associated work orders including labor and materials is $493,052 which will be included in a 2018 capital budget amendment.

Contract Change Order

2721 W. 10th Ave.
PO Box 6270
Kennewick, WA 99336

1. Contract Change No.	2. Contract No.	3. Effective Date
2	17-07	March 13, 2018

4. Contract Name & Address	5. Contract Cost Adjustment – This Change Only
DJ's Electrical, Inc. 2319 SE Grace Ave. Battle Ground, WA 98604	_X_ - INCREASE $242,421.00 ____ - DECREASE $ + Washington State Sales Tax
	6. Contract Schedule Adjustment – This Change Only New Expiration Date:

7. Description of Changes:

Increase the not-to-exceed amount by $242,421.00, bringing the new not-to-exceed amount of the contract to $1,970,653.00.

EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE CONTRACT REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT

8. Name of Contractor (Print or Type)	9. Benton PUD (Print or Type)
Signature _____	Signature _____
By _____	By Chad B. Bartram
Title _____	Title General Manager
Date _____	Date March 13, 2018

	Business Agenda
	Second Reading
X	*Consent Agenda*
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Contract Award Recommendation, Sunheaven to Level 3 Fiber Build, Bid Package #17-17	
Agenda Item No:	7f	
Meeting Date:	March 13, 2018	
Presented by:	Rick Dunn	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration

Motion to award Contract #17-17 for Sunheaven to Level 3 Fiber Build, to Saunders Cable, Inc. of Cheney, WA for the total amount of $223,822.12 plus Washington State sales tax in accordance with RCW 54.04.080.

Background

Bids were sent out for the Broadband Project – Sunheaven to Level 3 Fiber Build. On Tuesday, January 30, 2018 the District received responses from seven (7) qualified contractors. Saunders Cable, Inc.'s overall bid was evaluated to be the lowest price.

Bidder / Contractor	Grand Total
Saunders Cable, Inc.	$223,822.12
Blue Mt. Telecommunications Services	$257,586.40
Paramount Communications, Inc.	$300,992.50
Robinson Bros. Constr., Inc.	$313,454.10
North Sky Communications, Inc.	$318,572.80
Depatco Union dba Atchley Power	$388,671.25
Underground Specialties, LLC	$456,981.85

The engineer's estimate to this bid was $361,759.38.

Summary

Bid #17-17 was for a new fiber optic cable between points generally referred to as Sunheaven Farms to Level 3 Central Office. This new cable will connect the Patterson fiber facilities constructed during BTOP to the Core Kennewick Network providing diversity to Benton PUD substation and broadband services.

An evaluation of each vendor's proposal has been completed by District staff. After evaluating each bid it is recommended the District enter into a contract with Saunders Cable, Inc. for the amount of $223,822.12.

Fiscal Impact

$350k was included in the District's 2018 capital budget for this proposed project; $100k in the Broadband department (Activity 012) and $250k in the Information Technology department (Activity 136).

BPUD CONTRACT #17-17

AGREEMENT

THIS AGREEMENT AND CONTRACT, made and entered into at Kennewick, Washington,

This ____ day of _____, 201_, by and between:

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, Washington, a municipal corporation hereinafter designated as the "District",

AND

SANUNDERS CABLE, INC. hereinafter designated as the "Contractor".

WITNESS:

That whereas the District has heretofore caused to be prepared Call for Bids, Definitions, General Instructions to Bidders, Special Instructions to Bidders, Affidavit of Pre-Qualified Bidder, Contractor's Proposal, Specifications for Construction, Performance Bond Form, and Plans and Construction Drawings, hereinafter referred to as "Contract Documents" for the construction of the

SUNHEAVEN TO LEVEL 3 FIBER BUILD

Project and the Contractor did on the 30th day of January, 2017, file with the District a proposal to construct said Project and agreed to accept as payment therefore the sum fully stated and set forth in the proposal, AND

WHEREAS, the said Contract Documents fully and accurately describe the terms and conditions upon which the Contractor proposes to furnish said equipment, labor, material, and appurtenances and perform said work, together with the manner and time of furnishing same;

IT IS THEREFORE AGREED, first, that said Contract Documents do in all particulars become a part of the Agreement and Contract by and between the parties hereto in all matters and things therein set forth and described; and further, that the District and the Contractor hereby accept and agree to the terms and conditions of said Contract Documents as filed as completely as if said terms and conditions and plans were herein set out in full.

IN FAITH WHEREOF, witness the signatures of both parties, below, on the day and year in this Agreement first above written.

The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56. The vendor expressly acknowledges and agrees that its proposal and any information vendor submits with its proposal is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose vendor's proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

The District must comply with the Preservation and Destruction of Public Records RCW 40.14. The vendor expressly acknowledges and agrees that it will maintain all records and documentation related to the contract in accordance with its obligations under applicable law.

BENTON PUD

Authorized By: Chad B. Bartram, General Manager
(Print Name & Title)

Signature: _____

Date: March 13, 2018

SAUNDERS CABLE, INC.

Address: _____ Address: _____
(street) (mailing)
_____ _____

Telephone: _____

_____ / _____
Wash. State Contractor's Reg. No. & Expiration Date

UBI No.

Authorized By: _____
(Print Name & Title)

Signature: _____

Date: _____

Rev. 2/23/01

X	*Business Agenda*
	Second Reading
	Consent Agenda
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Authorization to Proceed - #18-45-02 – Twin City Foods, Inc.	
Agenda Item No:	7g	
Meeting Date:	March 13, 2018	
Presented by:	Chris Johnson / Terry Mapes	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration

Motion authorizing the General Manager on behalf of the District to sign the Commercial Energy Efficiency Program - Authorization to Proceed for Twin City Foods, Inc., Contract #18-45-02, to perform work projects at their Kennewick facility for a not-to-exceed amount of $179,000.00 with an expiration date of December 31, 2018.

Background

Benton PUD is required by the Energy Independence Act (EIA) to achieve conservation or be subject to fines. These projects shown below count toward those requirements and consist of a lighting project estimated at $97,000.00 and a project for fast acting freezer doors estimated at $82,000.00 with a total savings of 0.13 aMW, which represents 5.7% of the 2.25 aMW needed to reach the District's CPA target.

Project	Estimate
Facility wide LED upgrade	$97,000.00
Fast acting Doors	$82,000.00
Total	**$179,000.00**

Staff has been working with BPA to ensure District conservation programs meet BPA requirements. Twin City Foods qualifies for BPA's Energy Smart Industrial program which utilizes Cascade Energy for technical review, scoping and analysis.

Summary

Signing this ATP will allow Twin City Foods to take advantage of rebates offered in the industrial conservation sector and will contribute energy savings toward achievement of the District's EIA target.

Fiscal Impact

The $179,000.00 needed to complete these two projects represents about 26% of the $700,000.00 Industrial sector budget for 2018.

Commercial Energy Efficiency Program

Authorization to Proceed

Offer valid through December 31, 2018 or until funding expires

Company Name Twin City Foods, Inc.	BPUD Account No. 21922001	Date 3/13/2018
Project Address 1000 E. 1st Ave.	City, State & Zip Code Kennewick, WA 99336	
Mailing Address PO Box 699	City, State & Zip Code Stanwood, WA 98292	
Contact Person Dawn Lithim	Phone No. 509-586-7568	Cell No.
Installing Contractor	Phone No.	Project Name or No.
BPUD Energy Advisor Kevin Fischer		Phone No. 509-585-5395

Benton PUD has received and reviewed all necessary paperwork for the energy conservation measures listed below and found it to be in compliance with the Commercial Energy Efficiency Program Requirements. **You are now authorized to proceed with this project.** Please notify your Benton PUD Energy Advisor if there are any changes to project measures. Changes may result in conservation rebates being reduced or withdrawn. Conservation rebates for this project are available until December 31, 2018. If work cannot be completed by this deadline, please contact your Benton PUD Energy Advisor to request an extension. Thank you for your energy conservation efforts.

	The Sum of the individual kWh and incentives are different from totals below due to rounding	
Lighting	540,000 kWh	$97,000.00
Fast Acting Freezer Doors	588,000 kWh	$82,000.00
Rebate amounts are considered estimates and subject to final inspection and approval	Total Busbar Savings 1,128,000 kWh	Total Estimated Incentive $179,000.00

Benton PUD Energy Advisor Signature _____ Date_____

Benton PUD General Manager Signature _____ Date_____

Revised 6/8/2011

BPA Energy Smart Industrial - Custom Projects and Incentives Forecast

NOTE: This report is an advisory resource only. We recommend reviewing these projects and corresponding incentives relative to EEI funding for the current fiscal year and beyond. Projects indicated in the current fiscal year below are those targeted to close in the remainder of the current fiscal year.

Table 1: Estimated Custom Projects Savings and Incentives Detail

ESI ID	Measure Number	Facility Name	Custom Project Measure Name		Projected Savings (kWh/yr)	Estimated Incentive
	1	Twin City Foods Kennewick	Fast-Acting Freezer Doors		133,735	$ 18,722.90

Table 2: Estimated Deemed Projects Savings and Incentives Detail

FY	ESI ID	Facility Name	Project Type	Savings (kWh/yr)	Incentive
	Non-Standard	Twin City Foods Kennewick	Lighting	491,218	$ 88,000.00

Facility Name			Custom Project Measure Name		Description
Twin City Foods Kennewick			Fast-Acting Freezer Doors		Replacing older manually operated freezer doors that are typcially left open with automatic freezer doors that close after 10 sec.

X	*Business Agenda*
	Second Reading
	Consent Agenda
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Milne Fruit Products Authorization for projects totaling over $100,000.00	
Agenda Item No:	7h	
Meeting Date:	March 13, 2018	
Presented by:	Chris Johnson/Terry Mapes	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad Bartram	*General Manager/Asst GM*

Motion for Commission Consideration:
Motion authorizing Milne Fruit Products to proceed with additional projects totaling $62,600.00 which will result in total incentives of $155,100.00 authorized for Milne for calendar year 2018.

Recommendation/Background
The Commission, per Resolution No. 2048, authorized the General Manager or his designee to enter into and approve conservation agreements up to $100,000.00 for District conservation program rebates.

Staff has been working with BPA to ensure District conservation programs meet BPA requirements. Milne Fruit Products qualifies for BPA's Energy Smart Industrial program which utilizes Cascade Energy for technical review, scoping and analysis.

Milne Fruit Products was previously authorized for projects totaling $92,500.00, and is now requesting an estimated $62,600.00 in additional projects listed in the table below.

Project	Estimate
Facility Lighting Exterior	$7,500.00
Facility Ammonia Compressor	$52,000.00
Facility Centrifuge/Decanter	$3,100.00
Total	**$62,600.00**

The combined savings from these projects totals 0.12 aMW which is about 5% of the District's target of 2.25 aMW for 2018-19.

Summary

Granting authority for these projects will enable Milne Fruit Products to take advantage of additional rebates offered in the industrial conservation sector and the energy savings can be claimed toward meeting the District's EIA target.

Fiscal Impact

Funds for the Milne projects are included in the $700,000.00 Industrial conservation budget for 2018. The combined incentives for these projects total $155,100.00 which represents about 22% of the District's 2018 Industrial budget.

BPA Energy Smart Industrial - Custom Projects and Incentives Forecast

NOTE: This report is an advisory resource only. We recommend reviewing these projects and corresponding incentives relative to EEI funding for the current fiscal year and beyond. Projects indicated in the current fiscal year below are those targeted to close in the remainder of the current fiscal year.

Table 1: Estimated Custom Projects Savings and Incentives Detail

ESI ID	Measure Number	Facility Name	Custom Project Measure Name		Projected Savings (kWh/yr)	Estimated Incentive
2345	1	Milne Fruit Products	Centrifuge/Decanter		20,000	$ 2,800.00
2447	1	Milne Fruit Products	Pan #4 Concentrator - Ammonia Compressor		187,537	$ 46,884.24

Table2: Estimated Deemed Projects Savings and Incentives Detail

FY	ESI ID	Facility Name	Project Type	Savings (kWh/yr)	Incentive
2018		Milne Fruit Products - Exterior Phase 2	Lighting	51,449	$6,750.00

Facility Name			Custom Project Measure Name		Description
Milne Fruit Products			Centrifuge/Decanter		Upgraded centrifuge process equipment with higher-efficiency equipment.
Milne Fruit Products			Pan #4 Concentrator - Ammonia Compressor		Pan 4 evaporator line needed to be upgraded by increasing the heat exchanger size and raise suction

X	*Business Agenda*
	Second Reading
	Consent Agenda
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Lineage Logistics Authorization for projects totaling over $100,000.00	
Agenda Item No:	7c	
Meeting Date:	March 13, 2018	
Presented by:	Chris Johnson/Terry Mapes	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration:
Motion authorizing Lineage Logistics to proceed with an additional $96,000.00 project which will result in total incentives of $195,000.00 authorized for Lineage for calendar year 2018.

Recommendation/Background
The Commission, per Resolution No. 2048, authorized the General Manager or his designee to enter into and approve conservation agreements up to $100,000.00 for District conservation program rebates.

An Authorization to Proceed was previously given to Lineage Logistics for a lighting project capped at $99,000.00. Lineage is now requesting an estimated $96,000.00 for an additional custom project to replace old inefficient Ferro-magnetic battery chargers with high-efficiency opportunity chargers. The estimated combined EIA eligible savings from these projects shown below will total 0.13 aMW, as determined by the BPA Energy Smart Industrial Program. These savings represent about 6% of the savings required to meet the District's 2018-19 CPA target of 2.25 aMW.

Project	Estimate
Efficient Forklift Battery Chargers	$96,000.00
Total	**$96,000.00**

Staff has been working with BPA to ensure District conservation programs meet BPA requirements. Lineage Logistics qualifies for BPA's Energy Smart Industrial program which utilizes Cascade Energy for technical review, scoping and analysis.

Summary

Granting authority for this project will enable Lineage Logistics to take advantage of additional rebates offered in the industrial conservation sector and the energy savings can be claimed toward meeting the District's EIA target.

Fiscal Impact

Funds for both of the Lineage projects are included in the $700,000.00 Industrial conservation budget for 2018. The combined incentives of $195,000.00 account for about 28% of that total budget.

BPA Energy Smart Industrial - Custom Projects and Incentives Forecast

NOTE: This report is an advisory resource only. We recommend reviewing these projects and corresponding incentives relative to EEI funding for the current fiscal year and beyond. Projects indicated in the current fiscal year below are those targeted to close in the remainder of the current fiscal year.

Table 1: Estimated Custom Projects Savings and Incentives Detail

ESI ID	Measure Number	Facility Name	Custom Project Measure Name		Projected Savings (kWh/yr)	Estimated Incentive
2371	1	Lineage Logistics Kennewick	Battery Chargers		623,144	$ 87,240.16

Facility Name				Custom Project Measure Name		Description
Lineage Logistics Kennewick				Battery Chargers		Replacing old inefficient ferro-magnetic battery chargers with high-efficiency opportunity chargers.

	Business Agenda
	Second Reading
	Consent Agenda
	Info Only/Possible Action
X	*Info Only*

COMMISSION MEETING AGENDA ITEM

Subject:	2016-2017 Conservation Achievements Presentation and 2018-2019 Preview	
Agenda Item No:	7J	
Meeting Date:	March 13, 2018	
Presented by:	Terry Mapes	*Staff Presenting Item*
Approved by (dept):	Rick Dunn/Chris Johnson	*Director/Manager*
Approved for Commission review:	Chad Bartram	*General Manager/Asst GM*

Motion for Commission Consideration:

None - Info Only

Recommendation/Background

Staff will provide an update to the 2016-2017 conservation achievements used to meet the Districts Energy Independence Act Target of 1.97 aMW. Also provided will be a preview of the 2018-2019 conservation program.

Summary

This presentation highlights the Conservation achieved by the District during the 2016-2017 biennium and a projection of activity for the 2018-2019 biennium.

Fiscal Impact

The 2016-2017 net conservation budget was nearly $874,000.00 with actual expenses of $851,000.00 resulting in a budget underrun of approximately $23,000.00.

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☐	*Business Agenda*
☐	*Second Reading*
☐	*Consent Agenda*
☐	*Info Only/Possible Action*
✓	*Info Only*

COMMISSION MEETING AGENDA ITEM

Subject:	Review Final Draft of 2017 Annual Financial Report	
Agenda Item No:	7K	
Meeting Date:	March 13, 2018	
Presented by:	Jon Meyer/Kent Zirker	*Staff Presenting Item*
Approved by (dept):	Jon Meyer JM	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration:

None.

Recommendation/Background

Review final draft of the District's year-end 2017 financial statements and note disclosures, Management Discussion and Analysis (MD&A), statistical section with the Commission prior to completion of the annual audit by Moss Adams LLP and publication of the Comprehensive Annual Financial Report (CAFR).

The management of the District is responsible for preparing financial statements in accordance with generally accepted accounting principles (GAAP) applied on a consistent basis. The note disclosures are an integral part of the financial statements and are intended to ensure that a complete picture is presented to the reader of the financial statements. Required note disclosures are prescribed by GAAP. The note disclosures are included in the scope of the annual audit.

The MD&A is also a required part of the annual report; however, it is referred to as "required supplementary information" and is outside the scope of the audit. The MD&A provides a high level narrative explanation of the District's financial statements from the perspective of top management. It enhances the overall financial disclosure and provides information about the quality of and potential variability of the District's financial condition, earnings and cash flow, so that readers can ascertain the likelihood that past performance is indicative of future performance.

The statistical section is also unaudited. This section of the CAFR is intended to provide information regarding the District's economic condition, and provides information on financial trends, revenue capacity, debt capacity, and demographic, economic, and operating information.

Fieldwork for the annual audit began in December and concluded in February. At the completion of the audit, an exit conference will be held with the Commission to allow Moss Adams LLP to present results of the audit. We will then prepare and publish the 2017 CAFR and submit it to the Government Finance Officers Association (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* program.

Summary

This agenda item will provide the Commission with a review of highlights from the District's 2017 annual financial report prior to finalizing and publishing the report.

Fiscal Impact

$580 application fee to participate in GFOA award program is included in 2018 Accounting Department budget.

FINANCIAL STATEMENTS

For the year ended December 31, 2017

(Unaudited)

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Management's Discussion and Analysis

This section provides an overview and analysis of key data presented in the basic financial statements for the years ended December 31, 2017 and 2016, with additional comparative data for 2015. Information within this section should be used in conjunction with the basic financial statements and accompanying notes.

Overview of the Financial Statements

Public Utility District No. 1 of Benton County (District) accounts for its financial activities within a single proprietary fund titled the Electric System. The Electric System is used to account for the purchase, generation, transmission, distribution, and sale of electric energy, as well as the sale of wholesale telecommunication services.

In accordance with requirements set forth by the Governmental Accounting Standards Board (GASB), the District's financial statements employ the accrual basis of accounting in recognizing increases and decreases in economic resources. Accrual accounting recognizes all revenues and expenses incurred during the year, regardless of when cash is received or paid.

The basic financial statements, presented on a comparative format for the years ended December 31, 2017 and 2016, consist of:

Statement of Net Position: The District presents its Statement of Net Position using the balance sheet format. The Statement of Net Position reflects the assets, liabilities, deferred outflows and inflows of resources, and net position (equity) of the District at year-end. The net position section is separated into three categories: net investment in capital assets, net position - restricted, and net position - unrestricted.

Statement of Revenues, Expenses, and Changes in Net Position: This statement reflects the transactions and events that have increased or decreased the District's total economic resources during the period. Revenues are presented net of allowances and are summarized by major source. Revenues and expenses are classified as operating or nonoperating based on the nature of the transaction.

Statement of Cash Flows: The Statement of Cash Flows reflects the sources and uses of cash separated into four categories of activities: operating, noncapital financing, capital and related financing, and investing.

The notes to the financial statements, presented at the end of the basic financial statements, are considered an integral part of the District's presentation of financial position, results of operations, and changes in cash flows.

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Condensed Comparative Financial Information

Provided below is a 3-year comparison of key financial information:

Statement of Net Position *(in thousands)*

	2017	2016	Increase (Decrease) 2017-2016	% Change 2017-2016	2015
Assets and Deferred Outflows of Resources					
Current & Noncurrent Assets	$92,286	$92,043	$243	0%	$83,118
Utility Plant	125,666	123,470	2,196	2%	120,791
Subtotal Assets	217,952	215,513	2,439	1%	203,909
Deferred Outflows of Resources	2,534	3,937	(1,403)	-36%	3,893
Total Assets and Deferred Outflows of Resources	220,486	219,450	1,036	0%	207,802
Liabilities and Deferred Inflows of Resources					
Current Liabilities	20,596	20,515	81	0%	18,507
Noncurrent Liabilities	72,727	80,576	(7,849)	-10%	68,152
Subtotal Liabilities	93,323	101,091	(7,768)	-8%	86,659
Deferred Inflows of Resources	3,008	2,323	685	29%	4,836
Total Liabilities and Deferred Inflows of Resources	96,331	103,414	(7,083)	-7%	91,495
Net Position					
Net Investment in Capital Assets	64,407	58,672	5,735	10%	68,040
Restricted for Debt Service	1,108	1,108	0	0%	1,084
Unrestricted	58,640	56,256	2,384	4%	47,183
Total Net Position	$124,155	$116,036	$8,119	7%	$116,307

Statement of Revenues, Expenses, and Changes in Net Position *(in thousands)*

	2017	2016	Increase (Decrease) 2017-2016	% Change 2017-2016	2015
Operating Revenues					
Retail Energy Sales	$130,811	$120,439	$10,372	9%	$116,820
Secondary Market Sales	15,828	15,723	105	1%	18,370
Other	3,504	3,700	(196)	-5%	3,695
Nonoperating Revenues					
Interest Income	605	326	279	86%	245
Other Income	562	321	241	75%	504
Unrealized Gain/(Loss) on Investments	(33)	(4)	(29)	>300%	25
Total Revenues	151,277	140,505	10,772	8%	139,659
Operating Expenses					
Power Supply	96,775	94,193	2,582	3%	95,574
Operations, Maintenance and A&G	21,760	19,966	1,794	9%	21,179
Taxes/Depreciation/Amortization	24,197	25,261	(1,064)	-4%	25,472
Nonoperating Expenses					
Interest Expense	2,910	2,665	245	9%	2,757
Debt Premium Amortization & Loss on Defeased Debt	(493)	(144)	(349)	242%	(420)
Total Expenses	145,149	141,941	3,208	2%	144,562
Income/(Loss) before Contributions	6,128	(1,436)	7,564	>-300%	(4,903)
Capital Contributions	1,991	1,165	826	71%	2,472
Change in Net Position	8,119	(271)	8,390	>-300%	(2,431)
Beginning Net Position	$116,036	$116,307	($271)	0%	$118,738
Ending Net Position	$124,155	$116,036	$8,119	7%	$116,307

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Financial Analysis

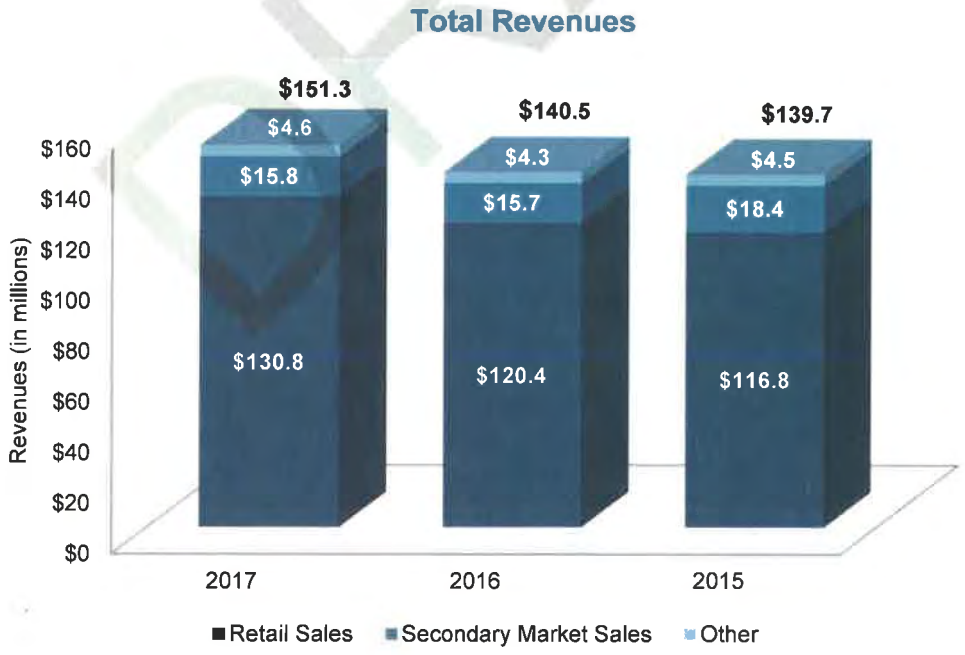
During 2017, the District's overall financial position and results of operations improved over last year. The District's net position increased by $8.1 million compared to a decrease of $271,000 in 2016. Provided below is a year-over-year analysis of the change in net position by major component of income, with a primary focus on changes between 2017 and 2016.

Operating Revenues
2016 to 2017:
Revenues from sales to retail customers (retail energy sales) in 2017 increased $10.4 million (9%) from 2016. Colder than average winter and warmer than average summer weather contributed to an increase in kilowatt hours (kWh) sold to customers of 5.4%. In addition, active service agreements increased by 1.6% and the District had rate increases of 1.9% effective October 1, 2017 and 4.9% effective September 1, 2016.

Revenues from wholesale energy and natural gas sales increased by $105,000 (0.7%), primarily as a result of increased sales despite a decrease in wholesale prices of about 7%.

2015 to 2016:
Revenues from sales to retail customers in 2016 increased $3.6 million (3%) from 2015. Continued milder weather contributed to a decrease in kilowatt hours (kWh) sold to customers of 2.5%. However, revenues increased as a result of a September 1, 2015 retail revenue rate increase of 3.9% and a September 1, 2016 retail revenue rate increase of 4.9%.

Revenues from wholesale energy and natural gas sales decreased by $2.6 million (-14%), primarily as a result of a decrease in wholesale prices of about 9%.



Operating Expenses
2016 to 2017:
Power supply expense increased by $2.6 million (2.7%), primarily as a result of weather and increased purchase transactions by The Energy Authority (TEA) to manage daily loads. In addition, net power expense (power supply expense less secondary market sales) increased by $2.5 million (3.2%), primarily attributable to increased retail energy sales and a rate increase from BPA that became effective October of 2017. The District uses net power expense as a means to measure overall financial performance related to power supply management.

Total operations, maintenance and administrative and general (A&G) expenses increased by $1.8 million (9.0%). The increase was primarily due to 2016 had included $700,000 in temporary budget reductions (see 2015 to 2016 analysis), and 2017 labor and benefits charged to operations and maintenance expense from resources previously dedicated to capital projects The District charges internal labor to operations, maintenance, A&G activities, and capital projects. In 2017, the internal labor required for operations and maintenance activities increased $1.1 million from 2016 while internal labor performed on capital projects decreased $777,000.

Taxes assessed by state and municipal governments increased by $1.4 million (11%), primarily as a result of higher retail sales. Depreciation and amortization decreased $2.5 million as a result of assets becoming fully depreciated and updating useful lives to better match the service life of certain assets.

2015 to 2016:
Power supply expense decreased by $1.4 million (-1.4%), primarily as a result of weather and decreased purchase transactions by TEA to manage daily loads. However, net power expense increased by $1.3 million (1.6%), primarily attributable to lower secondary market sales and a rate increase from BPA that became effective October of 2015. The District uses net power expense as a means to measure overall financial performance related to power supply management.

Total operations, maintenance and administrative and general (A&G) expenses decreased by $1.2 million (-6%). The decrease was largely comprised of: temporary budget reductions of $700,000 that involved some risk but were determined to be acceptable for one year, reduction in pension expense of about $308,000, and a decrease in labor charged to operations and maintenance expense as a result of resources dedicated to capital projects. The District charges internal labor to operations, maintenance, A&G activities, and capital projects. In 2016, the internal labor required for operations and maintenance activities decreased $468,000 from 2015 while internal labor performed on capital projects increased $1,000,000.

Taxes assessed by state and municipal governments increased by $367,000 (3%), primarily as a result of higher retail sales. Depreciation and amortization decreased $577,000 as a result of assets becoming full depreciated and updating useful lives to better match the service life of certain assets.

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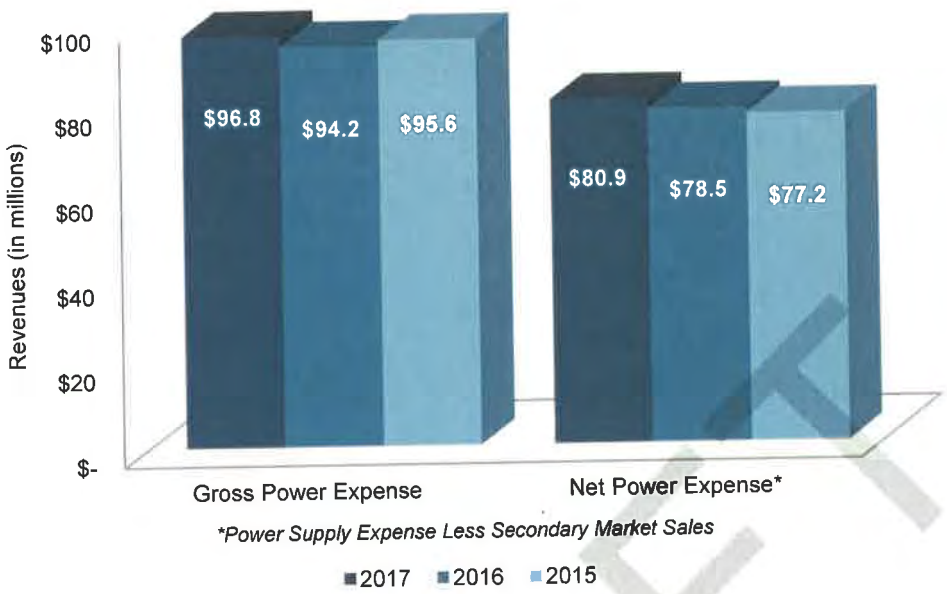
Gross and Net Power Expenses



Other Income & Expense

During 2017, interest income increased by $279,000 (86%) due to higher interest rates on longer term investments as compared to previous investment purchases. In addition, the average investment rate of the Washington State Treasurer's Local Government Investment Pool (LGIP) increased from 0.47% in 2016 to 0.97% in 2017. At year-end, the District's investments had an unrealized loss of $33,000.

During 2016, interest income increased by $81,000 (33%) due to higher interest rates on longer term investments as compared to previous investment purchases. In addition, the average investment rate of the Washington State Treasurer's Local Government Investment Pool (LGIP) increased from 0.16% in 2015 to 0.47% in 2016. At year-end, the District's investments had an unrealized loss of $4,000.

There were no significant restrictions, commitments, or other limitations that would affect the availability of resources for future use in 2017, 2016, and 2015.

Capital Contributions

During 2017, capital contributions increased by $826,000 (71%), primarily due to a few larger distribution projects.

During 2016, capital contributions decreased by $1.3 million (-53%), primarily due to 2015 including larger one-time projects related to broadband and community solar.

Summary of Financial Position

The overall financial position of the District increased $8.1 million, primarily due to higher retail loads. Other financial areas of the District remained stable as the District maintained solid cash and investment reserves and achieved a debt service coverage ratio well above policy limits. With rising power costs, the District had an average rate increase of 4.9% effective September 1, 2016 and an increase of 1.9% effective October 1, 2017.

District financial policies require that financial plans be developed to maintain minimum end-of-year cash and investment balances contained within unrestricted accounts sufficient to provide funding for a specified amount of operating expenses, power supply expenses, catastrophic loss, debt service, and capital improvements. The District's unrestricted cash and investment balances totaled $56.8 million, $54.2 million, and $45.5 million at December 31,

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2017, 2016 and 2015, respectively. Actual balances exceeded the minimum required level per District financial policies for each year.

In accordance with District financial policies and covenants established within the District's bond resolutions, the District is required to maintain and collect rates and charges sufficient to provide net revenues (defined as net position less depreciation, amortization, and interest expense) in each fiscal year in an amount at least equal to 1.25 times the annual debt service. For the years ended 2017, 2016 and 2014, the District was in compliance with such policies and covenants.

Capital Asset and Long-Term Debt Activity

During 2017, gross capital additions totaled $13.2 million. Capital contributions associated with these additions totaled $1.9 million. Major capital additions included completion of additions and improvements to existing distribution infrastructure and substations, installation of electric facilities along new major road expansions, and a 1.2% growth in customers served by the District, as well as internal capital expenditures to meet District needs. Construction work-in-progress totaled $4.6 million at year-end, a net decrease of $1.1 million from 2016.

During 2016, gross capital additions totaled $15.7 million. Capital contributions associated with these additions totaled $1.2 million. Major capital additions included completion of additions and improvements to existing distribution infrastructure and substations, installation of electric facilities along new major road expansions, and a 1.8% growth in customers served by the District, as well as internal capital expenditures to meet District needs. Construction work-in-progress totaled $5.7 million at year-end, a net increase of $3.0 million over 2015.

In September 2016, the District issued $22,470,000 of Electric Revenue and Refunding Bonds, Series 2016. The bond proceeds were used to fund $15.1 million of improvements and replacements of the District's electric utility system and to refund the 2011 bonds maturing on or after November 1, 2023. (See Note 5)

The Bonds, as well as the District's credit ratings, were affirmed by three rating agencies: Standard & Poor's at A+, Fitch Ratings at A+, and Moody's at Aa3.

Debt service payments totaled $6.2 million in 2017, $5.4 million in 2016, and $4.8 million in 2015.

Additional information about the District's capital assets and long-term debt is presented in Notes 2 and 5.

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STATEMENT OF NET POSITION

As of December 31, 2017 and 2016

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2017	2016
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents		
Unrestricted Cash & Cash Equivalents	$44,190,936	$42,306,649
Investments (Note 3)	12,616,525	11,916,120
Accounts Receivable, Net	8,579,629	8,725,320
BPA Prepay Receivable (Note 8)	600,000	600,000
Accrued Interest Receivable	59,654	32,102
Wholesale Power Receivable	1,407,401	870,436
Accrued Unbilled Revenues	4,800,000	5,400,000
Inventory - Materials & Supplies	5,544,372	5,660,664
Prepaid Expenses & Option Premiums	491,064	434,673
Total Current Assets	**78,289,581**	**75,945,964**
NONCURRENT ASSETS		
Restricted Bond Reserve Fund	1,107,865	1,107,865
BPA Prepay Receivable (Note 8)	5,850,000	6,450,000
Other Receivables (Note 1)	96,778	96,895
Other Charges (Note 4)	6,941,230	8,441,979
Subtotal Noncurrent Assets	13,995,873	16,096,739
Utility Plant (Note 2)		
Land and Intangible Plant	3,493,641	3,474,031
Electric Plant in Service	305,931,426	302,719,921
Construction Work in Progress	4,599,287	5,697,524
Less: Accumulated Depreciation	(188,357,607)	(188,421,328)
Net Utility Plant	125,666,747	123,470,148
Total Noncurrent Assets	**139,662,620**	**139,566,887**
TOTAL ASSETS	**217,952,201**	**215,512,851**
DEFERRED OUTFLOWS OF RESOURCES		
Pension Deferred Outflow	1,429,022	2,019,756
Accumulated Decrease in Fair Value of Hedging Derivatives	1,122,842	1,919,445
Total Deferred Outflows of Resources	**2,551,864**	**3,939,201**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$220,504,065**	**$219,452,052**
NET POSITION, LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$9,922,995	$10,311,190
Customer Deposits	1,667,840	1,477,457
Accrued Taxes Payable	3,652,731	3,382,660
Other Accrued Liabilities	1,290,389	1,765,047
Accrued Interest Payable	491,664	533,772
Revenue Bonds, Current Portion (Note 5)	3,570,000	3,045,000
Total Current Liabilities	**20,595,619**	**20,515,126**
NONCURRENT LIABILITIES		
Revenue Bonds (Note 5)	57,671,311	61,750,315
Pension Liability	9,884,887	13,019,386
BPA Prepay Incentive Credit	1,733,533	1,894,789
Other Credits & Liabilities (Note 4)	3,437,745	3,911,262
Total Noncurrent Liabilities	**72,727,476**	**80,575,752**
TOTAL LIABILITIES	**93,323,095**	**101,090,878**
DEFERRED INFLOWS OF RESOURCES		
Unamortized Loss/(Gain) on Defeased Debt	18,389	2,344
Pension Deferred Inflow	1,866,603	245,673
Accumulated Increase in Fair Value of Hedging Derivatives	1,140,955	2,077,305
Total Deferred Inflows of Resources	**3,025,947**	**2,325,322**
NET POSITION		
Net Investment in Capital Assets	64,443,825	58,672,489
Restricted for Debt Service	1,107,865	1,107,865
Unrestricted	58,603,333	56,255,498
Total Net Position	**124,155,023**	**116,035,852**
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$220,504,065**	**$219,452,052**

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the years ended December 31, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Retail Energy Sales	$130,811,427	$120,438,526
Secondary Market Sales	14,542,756	14,808,281
Transmission of Power for Others	1,284,536	915,169
Broadband Revenue	2,164,500	2,046,068
Other Revenue	1,338,933	1,653,580
Total Operating Revenues	**150,142,152**	**139,861,624**
OPERATING EXPENSES		
Power Supply (Includes Prepaid Power Amortization, See Note 8)	96,774,565	94,193,294
Transmission Operation & Maintenance	199,419	260,519
Distribution Operation & Maintenance	9,799,347	9,029,751
Broadband Expense	844,688	931,789
Customer Accounting, Collection & Information	3,735,098	3,411,338
Administrative & General Expense	7,181,596	6,331,749
Taxes	14,018,894	12,630,500
Depreciation	10,177,574	12,630,490
Total Operating Expenses	**142,731,181**	**139,419,430**
OPERATING INCOME/(LOSS)	**7,410,971**	**442,194**
NONOPERATING REVENUES & EXPENSES		
Interest Income	605,664	325,895
Other Income	562,073	321,466
Interest Expense, net of amounts capitalized	(2,910,007)	(2,664,442)
Debt Premium Amortization & Loss on Defeased Debt	492,959	143,522
Unrealized Gain/(Loss) on Investments	(33,130)	(4,170)
Total Nonoperating Revenues & Expenses	**(1,282,441)**	**(1,877,729)**
(LOSS) BEFORE CAPITAL CONTRIBUTIONS	**6,128,530**	**(1,435,535)**
CAPITAL CONTRIBUTIONS	1,990,641	1,164,819
CHANGE IN NET POSITION	**8,119,171**	**(270,716)**
TOTAL NET POSITION, BEGINNING OF YEAR	**116,035,852**	**116,306,568**
TOTAL NET POSITION, END OF YEAR	**$124,155,023**	**$116,035,852**

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH FLOWS

For the years ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers and Counterparties	$150,946,385	$137,809,943
Cash Paid to Suppliers and Counterparties	(104,413,808)	(98,491,760)
Cash Paid to Employees for Services	(14,331,940)	(14,038,554)
Taxes Paid	(13,748,823)	(12,551,371)
Net Cash Provided by Operating Activities	**18,451,814**	**12,728,258**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Other Interest Expense	(40,556)	(49,300)
Net Cash Used by Noncapital Financing Activities	**(40,556)**	**(49,300)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(12,572,635)	(15,329,337)
Proceeds from Sale of Revenue Bonds	-	15,099,327
Reimbursement of Bond Expense	10,205	-
Bond Principal Paid	(3,045,000)	(2,920,000)
Bond Interest Paid	(2,831,526)	(2,314,477)
Capital Contributions	1,990,642	1,164,818
Proceeds from Sale of Assets	76,766	59,233
Net Cash Used by Capital and Related Financing Activities	**(16,371,548)**	**(4,240,436)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	578,112	327,490
Proceeds from Sale of Investments	8,008,658	11,984,822
Purchase of Investments	(8,742,193)	(5,933,352)
Net Cash Provided (Used) by Investing Activities	**(155,423)**	**6,378,960**
NET INCREASE (DECREASE) IN CASH	**1,884,287**	**14,817,482**
CASH & CASH EQUIVALENTS BALANCE, BEGINNING OF YEAR	**43,414,514**	**28,597,032**
CASH & CASH EQUIVALENTS BALANCE, END OF YEAR	**$45,298,801**	**$43,414,514**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income/(Loss)	$7,410,971	$442,194
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	10,177,575	12,630,490
BPA Prepaid & Power Contracts Amortization	1,178,400	1,178,400
(Increase) Decrease in Unbilled Revenues	600,000	(1,000,000)
Misellaneous Other Revenue & Receipts	216,088	22,741
Pension Expense/(Credit)	(593,733)	(308,366)
Decrease (Increase) in Accounts Receivable	194,029	(1,051,681)
Decrease (Increase) in Inventories	116,293	(493,958)
Decrease (Increase) in Wholesale Power Receivable	(536,965)	251,239
Decrease (Increase) in Miscellaneous Assets	(13,884)	13,805
Decrease (Increase) in Prepaid Expense & Option Premiums	(56,391)	(38,606)
Increase (Decrease) in Warrants Outstanding	-	(250,248)
Increase (Decrease) in Accounts Payable	(388,195)	1,453,322
Increase (Decrease) in Accrued Taxes Payable	270,071	79,129
Increase (Decrease) in Customer Deposits	190,383	58,139
Increase (Decrease) in BPA Prepay Incentive Credit	(161,256)	(161,256)
Increase (Decrease) in Other Current Liabilities	(474,658)	390,324
Increase (Decrease) in Other Credits	323,086	(487,410)
Net Cash Provided by Operating Activities	**$18,451,814**	**$12,728,258**

NONCASH OPERATING, INVESTING, CAPITAL, AND FINANCING ACTIVITIES

The District's investments had an unrealized loss of $33,130 at December 31, 2017 and an unrealized loss of $4,170 at December 31, 2016.

Bond Interest Paid does not include subsidy payments on Series 2010 Revenue Build America Bonds made directly by the US Treasury to the Fiscal Paying Agent of $345,985 in 2017 and $298,726 in 2016 (see Note 5).

The net effect of accumulated increases and decreases in the fair value of hedging derivates had no effect on cash flows for 2017 and 2016. For accumulated decreases in fair value, $1,122,842, the District records an offsetting liability. For accumulated increases in fair value, $1,140,955, the District records an offsetting asset.

The deferred inflows and outflows relating to GASB 68 had no effect on cash flows for 2017 and 2016. The pension deferred outflow was $1,429,022, and $2,019,756 as of December 31, 2017 and 2016 respectively. The pension deferred inflow was $1,866,603, and $245,673 as of December 31, 2017 and 2016, respectively.

During 2016, the District issued $22,470,000 of Electric Revenue and Refunding Bonds and retired various oustanding bonds (see Note 5).

The accompanying notes are an integral part of the financial statements.

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Note 1 - Summary of Operations and Significant Accounting Policies

Public Utility District No. 1 of Benton County, Washington (the District) is a municipal corporation of the State of Washington established in 1934 for the purpose of engaging in the purchase, generation, transmission, distribution, and sale of electric energy. Additionally, the District is authorized under state law to provide wholesale telecommunication services.

The District serves Benton County exclusive of most of the City of Richland, the U.S. Department of Energy's operations on the Hanford Reservation, the City of West Richland and those rural areas of the County that are served by the Benton Rural Electric Association. Cities in the District's service area include Kennewick, population 80,280, Prosser, population 5,965, and Benton City, population 3,360. The District maintains its administrative offices in the City of Kennewick. The District is governed by an elected three-member board.

The District's service area comprises approximately 939 square miles of Benton County. The District's properties include 37 substations, approximately 98 miles of 115kV transmission lines, 1,675 miles of distribution lines, and other buildings, equipment, stores, and related facilities.

As required by generally accepted accounting principles (GAAP), management has considered all potential component units in defining the reporting entity and has no component units. The following is a summary of the more significant policies:

a) Basis of Accounting and Presentation: The accounting policies of the District conform to GAAP applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In 2016, the District implemented GASB statements No. 72 Fair Value Measurement and Application, No. 76 Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, and No. 79 Certain External Investment Pools and Pool Participants. In 2017, the District implemented GASB statement No.82 Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73.

Accounting records are maintained in accordance with methods prescribed by the Washington State Auditor's Office under the authority of Revised Code of Washington (RCW) 43.09 and the Uniform System of Accounts prescribed for public utilities and licensees by the Federal Energy Regulatory Commission (FERC). The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting where revenues are recognized when incurred, regardless of the timing of the related cash flows. Revenues and expenses related to the District's principal operations are considered to be operating revenues and expenses; while revenues and expenses related to capital, financing, and investing activities are considered to be nonoperating revenues and expenses.

b) Utility Plant and Depreciation: Utility plant is recorded at original cost, which includes both direct costs of construction or acquisition and indirect costs. The District's capitalization threshold is $5,000 for noninfrastructure capital. All costs related to infrastructure are capitalized. The cost of maintenance and repairs is charged to expense as incurred, while the cost of replacements and improvements is capitalized.

Property, plant, and equipment are depreciated using the straight-line method over these estimated useful lives:

Buildings and Improvements	33 - 40 years
Generation Plant	20 years
Electric Plant - Transmission	25 - 33 years
Electric Plant - Distribution	10 - 33 years
Electric Plant/Equipment - Broadband	5 - 20 years
Transportation Equipment	16 years
General Plant & Equipment	4 - 14 years

Initial depreciation on utility plant is recorded in the month subsequent to purchase or completion of construction. Composite rates are used for asset groups and, accordingly, no gain or loss is recorded on the disposition of an asset unless it represents a major retirement. The composite depreciation rate was approximately 4.7% in 2017 and 5.1% in 2016. When operating plant assets are retired, their original cost together with removal costs, less salvage, is charged to accumulated depreciation.

Preliminary survey and investigation costs incurred for proposed projects are deferred pending a final decision to develop the project. Costs relating to projects ultimately constructed are reclassified to utility plant. If the project is abandoned, the costs are expensed.

c) Allowance for Funds Used During Construction (AFUDC): AFUDC represents the estimated costs of financing construction projects and is computed using the District's long-term borrowing rate. The allowance totaled $207,413 and $150,380 in 2017 and 2016, respectively, and is capitalized as part of the cost of the project and reflected as a reduction of interest expense.

d) Restricted Assets: In accordance with bond resolutions, related agreements, and laws, separate restricted accounts have been established. These assets are restricted for specific uses including bond reserve and capital additions and are classified as current or noncurrent assets, as appropriate.

e) Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all short-term highly liquid investments with a maturity of 3-months or less when purchased to be cash equivalents.

f) Accounts Receivable: The percentage-of-sales allowance method is used to estimate uncollectible accounts. The reserve is then reviewed for adequacy against an aging schedule of accounts receivable. Accounts deemed uncollectible are transferred to the provision for uncollectible accounts on a monthly basis. The reserve for uncollectible accounts totaled $553,178 and $400,000 in 2017 and 2016, respectively.

g) Other Receivables: Other receivables include a Rural Economic Development Revolving Fund, which was established during 2008 pursuant to RCW 82.16.0491. The District contributed to the fund in 2008 and 2009. Each contribution to the fund was partially offset by a public utility tax credit. The District appointed Benton-Franklin Council of Governments to oversee and direct activities of the fund. The District does not have a reserve for uncollectible accounts related to Other Receivables.

h) Inventories: Inventories are valued at average cost, which approximates the market value.

i) Derivative Instruments: The District has adopted GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Subject to certain exceptions, GASB Statement No. 53 requires every derivative instrument be recorded on the statement of net position as an asset or liability measured at its fair value, and changes in the derivative's fair value be recognized in earnings unless such derivatives meet specific hedge accounting criteria to be determined as effective. Effective hedges qualify for hedge accounting and such changes in fair values are deferred.

It is the District's policy to document and apply as appropriate the normal purchase and normal sales exception under GASB Statement No. 53. The District has reviewed its various contractual arrangements to determine applicability of these standards. Purchases and sales of forward electricity, natural gas, and option contracts that require physical delivery and which are expected to be used or sold by the reporting entity in the normal course of business are generally considered "normal purchases and normal sales." These transactions are excluded under GASB Statement No. 53 and therefore are not required to be recorded at fair value in the financial statements. Certain put and call options and financial swaps for electricity and natural gas are considered to be derivatives under GASB Statement No. 53, but do not generally meet the "normal purchases and normal sales" criteria.

As of December 31, 2017, the District had the following derivative instruments outstanding:

	Changes in Fair Value		Fair Value at December 31, 2017		Notional
	Classification	Amount	Classification	Amount	(MWh/MMBtu)
Cash Flow Hedges:					
Financial Swap Forward	Deferred Inflow	($1,140,955)	Derivative Asset	$1,140,955	936,975
Financial Swap Forward	Deferred Outflow	$1,122,842	Derivative Liability	($1,122,842)	2,612,120

These derivative instruments were entered into between July 2016 and December 2017 with maturities between January 2018 and December 2019. The District paid or received no cash to enter into these transactions.

As of December 31, 2016, the District had the following derivative instruments outstanding:

	Changes in Fair Value		Fair Value at December 31, 2016		Notional
	Classification	Amount	Classification	Amount	(MWh/MMBtu)
Cash Flow Hedges:					
Financial Swap Forward	Deferred Inflow	($2,060,583)	Derivative Asset	$2,060,583	2,292,860
Financial Swap Forward	Deferred Outflow	$1,888,788	Derivative Liability	($1,888,788)	1,794,100
Put Option	Deferred Inflow	($16,722)	Derivative Asset	$16,722	18,575
Put Option	Deferred Outflow	$30,657	Derivative Liability	($30,657)	16,800

These derivative instruments were entered into between October 2015 and December 2016 with maturities between January 2017 and February 2019. The District paid $115,783 to enter into these transactions.

The fair values of the commodity swap contracts were based on the futures price curve for the Mid-Columbia Intercontinental Exchange (ICE) index for electricity and the Sumas index for natural gas; additionally, all instruments close at the same index, respectively. The fair value of the options was calculated using the Black-76 options pricing model. The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's fair market measurements are classified as Level 2.

Objective & Strategies:

The District enters into derivative energy transactions to hedge its known or expected positions within its approved Risk Management policy. Decisions are made to enter into forward transactions to protect its financial position, specifically to deal with expected long and short positions as determined by projected load and resource balance positions. Generally, several strategies are employed to hedge the District's resource portfolio, including:

- *Combustion Turbine* - The District purchases gas for future periods to generate electricity when the Frederickson Plant (see Note 8) is economically viable on a marginal basis for that period based on parameters set by the Risk Management Committee. If load projections indicate the District does not require the electricity to serve its customers, an equivalent quantity of power will concurrently be sold or otherwise hedged for the same period.

- *Surplus Purchased Power Resources* - The District hedges projected surpluses in future periods by selling power or by purchasing put options. Surplus power is generally sold forward at a fixed price, either physically or financially, when the probability of surplus is very high; surplus power is hedged through the purchase of physical or financial put options when the projected surplus is less certain, but nevertheless expected to be available under expected scenarios. From time to time, the District will sell physical power forward in the next calendar month at a price based on the Mid-Columbia ICE index to perfect financial forward sales that settle based on the same index.

- *Deficit Power Resources* - The District hedges projected power resource deficits in future periods by purchasing power or by purchasing power call options (or if the Frederickson Plant is economically viable for the period, by buying gas). Power is generally purchased to cover projected deficits at a fixed price, either physically or financially, when the probability of the deficit position is very high; such deficit positions are hedged through the purchase of

physical or financial call options when the projected deficits are less certain, but nevertheless expected under the approved planning conditions.

Derivatives authorized under the Risk Management policy by the District include:

- Physical power and natural gas forward purchases and sales
- Monthly and daily power and gas physical calls and puts
- Power and natural gas fixed for floating swaps
- Currency swaps relating to managing US/Canadian exchange rate risk resulting from transactions denominated in Canadian dollars
- Quarterly and monthly financial power and gas put and call options
- Financial daily power and gas put and call options
- Quarterly and monthly power and natural gas swaptions
- Financial natural gas swing and basis swaps

Risks

Credit Risk - The District has developed a credit policy that establishes guidelines for setting credit limits and monitoring credit exposure on a continuous basis. The policy addresses frequency of counterparty credit evaluations, credit limits per specific counterparty, and counterparty credit concentration limits. A summary of counterparty credit exposure related to derivatives is provided in Note 8.

Commodity transactions, both physical and financial, are entered into only with counterparties approved by the District's Risk Management Committee for creditworthiness. The District had 46 counterparties with approved credit limits for electric power and natural gas sales and purchases as of December 31, 2017, and 48 counterparties at December 31, 2016. Counterparty credit limits are based on The Energy Authority's (TEA) (see Note 8) proprietary credit rating system and other factors. Credit ratings for counterparties range from "not-rated" to AAA, with a majority of counterparties rated between BBB- and AAA. Not-rated counterparties either provide additional security or are assigned credit limits of $25,000 or less.

The District's counterparty credit limits are scaled against TEA credit limits with a maximum credit limit of $3 million. This mitigates the District's credit exposure by netting and setting off the District's sales with purchases made by other TEA clients. Credit concentration limits based on market conditions and available qualified counterparties are established by the Risk Management Committee.

The District has entered into master enabling agreements with various counterparties, which enable hedging transactions. Such agreements include the Western Systems Power Pool (WSPP) form of agreement for physical power transactions, various forms of enabling agreements for physical gas transactions, and International Swaps and Derivatives Association Agreements (ISDA) for financial transactions. All of the enabling agreements have provisions addressing credit exposure and provide for various remedies to assure financial performance, including the ability to call on additional collateral as conditions warrant, generally as determined by the exposed party. The District also uses netting provisions in the agreements to diffuse a portion of the risk.

Forward transactions under the physical enabling agreements are used to deal with long and short physical positions under the direction of the Risk Management Committee and pursuant to the Risk Management policy. Transactions under the ISDA agreements are used to financially hedge long or short positions so that the District will pay or receive the equivalent of a fixed or known price for energy purchased or sold. The agreements also permit the District to hedge the risk of an underlying physical position by using call options, put options, runoff insurance, and weather insurance.

The aggregate fair value of hedging derivative instruments in asset positions was $1,140,955 and $2,077,305 at December 31, 2017 and 2016, respectively. There was no collateral held or liabilities included in the netting arrangements.

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Although the District executes hedging derivative instruments with various counterparties, four counterparties comprise 99% of the net exposure to credit risk as of December 31, 2017. These counterparties are rated BBB+/Baa1 (19 contracts comprising 23% of net exposure), Not Rated/Baa2 (11 contracts comprising 25% of net exposure), A/A2 (18 contracts comprising 30% of net exposure, and BBB+/A3 (9 contracts comprising 21% of net exposure). At December 31, 2016, three counterparties comprise 93% of the net exposure to credit risk. These counterparties are rated BBB/Baa1 (11 contracts comprising 24% of net exposure), Not Rated/Baa2 (26 contracts comprising 38% of net exposure) and BBB+/A3 (28 contracts comprising 31% of net exposure).

Basis Risk - The District proactively works to eliminate or minimize basis risk on energy transactions by entering into derivative transactions that settle pursuant to an index derived from market transactions at the point physical delivery is expected to take place. There are no derivative transactions outstanding that carry basis risk as of December 31, 2017 or 2016. As applicable, all power related transactions are to be settled on the relevant Mid-Columbia index, and all gas transactions are to be settled on the relevant Sumas/Huntingdon index or be converted to the Sumas/Huntingdon index within 6 months of delivery. The District has ready access to electric transmission and natural gas transportation capacity at those respective trading points.

Termination Risk - As of December 31, 2017 and 2016, no termination events have occurred, and there are no outstanding transactions with material risk. None of the outstanding transactions have early termination provisions except in the event of default by either counterparty. Events of default are generally related to (i) failure to make payments when due, (ii) failure to provide and maintain suitable credit assurances as required, (iii) bankruptcy or other evidence of insolvency, or (iv) failure to perform under any material provision of the agreement. Failure to provide or receive energy or natural gas under physical commodity transactions generally does not fall under the events of default provisions, unless the nonperforming party fails to pay the resulting liquidated damages when due.

There is no rollover, interest rate, or market access risk for these derivative products at December 31, 2017 or 2016.

j) Debt Premium Amortization and Loss on Defeased Debt: Original issue and reacquired bond premiums relating to revenue bonds are amortized over the terms of the respective bond issues using the bonds outstanding method. In accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, losses on debt refundings have been deferred and amortized over the shorter of the remaining life of the old or new debt. Effective with GASB 65, bond issuance costs are expensed in the period incurred.

k) Revenue Recognition: Revenues from retail sales of electricity are recognized when billed and reported net of bad debt expense of $219,000 and $103,660 at December 31, 2017 and 2016, respectively. Revenues include an estimate for energy delivered to customers between the last billing date and the end of the year. This amount is reflected in the accompanying financial statements as Accrued Unbilled Revenue in the amount of $44.8 million at December 31, 2017, and $5.4 million at December 31, 2016.

l) Capital Contributions: Capital contributions for the District consist mainly of line extension fees. Line extension fees represent amounts collected to recover the costs of installing new lines. Capital contributions are recorded as deferred revenues when received and reclassified to revenue when the related project is completed.

m) Pensions: For purposes of measuring the net pension liability, deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Public Employees Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

n) Compensated Absences: The District consolidated its vacation and sick leave program to a personal leave program May 1, 1993. Accrued unused sick leave balances for active employees as of April 30, 1993, were frozen and converted to a supplemental leave benefit (SLB). The SLB may be used by employees to make up the difference between short-term disability benefit payments and 100% of gross, straight-time pay. Additionally, an employee may

restore work hours required for short-term disability eligibility one-time per Collective Bargaining Agreement Contract cycle (3 years). At death, the District is obligated to pay 100% of the SLB cash value to the employee's beneficiary. At retirement, the District is obligated to deposit 30% of the SLB cash value into the retiring employee's Voluntary Employee Beneficiary Association Trust account. The liability for unpaid supplemental leave benefits was $14,663 and $20,115 at December 31, 2017 and 2016, respectively.

Employees earn personal leave in accordance with length of service. The District accrues the cost of personal leave in the year when earned. Personal leave may accumulate to a maximum of 1,200 hours for employees hired prior to April 1, 2011, and is payable upon separation of service, retirement, or death. For employees hired on or after April 1, 2011, personal leave may accumulate to a maximum of 700 hours.

The liability for unpaid leave, benefits, and related payroll taxes was $2,680,529 and $2,668,304 at December 31, 2017 and 2016, respectively. Of the liability for unpaid leave, $1,483,294 and $1,468,894 at December 31, 2017 and 2016, respectively, were classified as a current liability and the remainder as a long-term liability (see Note 4).

o) Use of Estimates: The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

p) Investments: It is the District's policy to record investments at fair value. For various risks related to the investments see Note 3.

q) Significant Risk and Uncertainty: The District is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include prices on the wholesale market for short-term power, interest rates, water conditions, weather and natural disaster-related disruptions, collective bargaining labor disputes, fish and other Endangered Species Act issues, Environmental Protection Agency and other federal government regulations, or orders concerning the operation, maintenance, and/or licensing of facilities, other governmental regulations, and the deregulation of the electrical utility industry.

The District's accounts receivable are concentrated with a diverse group of customers and counterparties who have purchased energy or other products and services. These customers generally do not represent a significant concentration of credit risk. The District mitigates credit risk by requiring large customers to provide an acceptable means of payment assurance and by an ongoing financial review of counterparties and establishment of credit limits based on the results of that review.

r) Bonneville Power Administration Prepay Program: In March 2013, the District participated in BPA's Prepay Program making a lump-sum up-front payment of $6.8 million. The District will receive $9.3 million in credits which started in April 2013 and continues until September 2028. (See Note 8)

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Note 2 - Utility Plant

Utility plant activity for the years ended December 31 was as follows:

Activity for 2017

Electric Plant Assets	Balance Dec. 31, 2016	Increase	Decrease	Balance Dec. 31, 2017
Capital Assets Not Being Depreciated:				
Land and Intangible Plant	**$3,474,031**	**$47,761**	**($28,151)**	**$3,493,641**
Construction Work in Progress	**5,697,524**	**14,513,893**	**(15,612,130)**	**4,599,287**
Capital Assets Being Depreciated:				
Transmission	8,085,187	1,742,468	-	9,827,655
Generation	1,912,370	-	-	1,912,370
Distribution	214,115,465	8,327,425	(576,934)	221,865,956
General	78,606,899	4,158,979	(10,440,433)	72,325,445
Subtotal	**302,719,921**	**14,228,872**	**(11,017,367)**	**305,931,426**
Less Accumulated Depreciation for:				
Transmission	(6,119,943)	(215,985)	-	(6,335,928)
Generation	(1,026,504)	(85,683)	-	(1,112,187)
Distribution	(134,983,313)	(8,074,594)	2,125,690	(140,932,217)
General	(46,291,568)	(4,609,857)	10,924,150	(39,977,275)
Total Accumulated Depreciation	**(188,421,328)**	**(12,986,119)**	**13,049,840**	**(188,357,607)**
Net Utility Plant	***$123,470,148***	***$15,804,407***	***($13,607,808)***	***$125,666,747***

Activity for 2016

Electric Plant Assets	Balance Dec. 31, 2015	Increase	Decrease	Balance Dec. 31, 2016
Capital Assets Not Being Depreciated:				
Land and Intangible Plant	**$3,416,129**	**$61,911**	**($4,009)**	**$3,474,031**
Construction Work in Progress	**2,745,647**	**8,866,216**	**(5,914,339)**	**5,697,524**
Capital Assets Being Depreciated:				
Transmission	7,829,825	256,175	(813)	8,085,187
Generation	1,754,865	157,505	-	1,912,370
Distribution	209,340,236	8,863,374	(4,088,145)	214,115,465
General	76,592,786	3,372,517	(1,358,404)	78,606,899
Subtotal	**295,517,712**	**12,649,571**	**(5,447,362)**	**302,719,921**
Less Accumulated Depreciation for:				
Transmission	(5,850,947)	(270,066)	1,070	(6,119,943)
Generation	(948,571)	(77,933)	-	(1,026,504)
Distribution	(131,122,802)	(8,561,137)	4,700,626	(134,983,313)
General	(42,965,941)	(5,301,626)	1,975,999	(46,291,568)
Total Accumulated Depreciation	**(180,888,261)**	**(14,210,762)**	**6,677,695**	**(188,421,328)**
Net Utility Plant	***$120,791,227***	***$7,366,936***	***($4,688,015)***	***$123,470,148***

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Note 3 - Deposits and Investments

As of December 31, 2017, the District had the following investments:

Investment Type	Maturities	Fair Value
Federal National Mortgage Assn	5/21/2018	$1,995,700
Federal Home Loan Mortgage Corp	2/28/2019	3,977,040
US Treasury	5/15/2019	1,950,480
Federal Home Loan Bank	11/15/2019	1,979,940
Federal Farm Credit Bank	12/19/2019	742,845
Federal National Mortgage Assn	3/30/2020	1,970,520
Total		**$12,616,525**

As of December 31, 2016, the District had the following investments:

Investment Type	Maturities	Fair Value
Federal National Mortgage Assn	6/1/2017	$1,994,200
Federal Home Loan Banks	9/8/2017	2,019,880
Federal National Mortgage Assn	5/21/2018	1,991,900
US Treasury	5/15/2019	1,937,920
Federal Home Loan Banks	11/15/2019	1,992,020
Federal National Mortgage Assn	3/30/2020	1,980,200
Total		**$11,916,120**

Fair Market Value – Investments have been adjusted to reflect available market values as of December 31 of 2016 and 2017 obtained from available financial industry valuation services. The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's fair market measurements are classified as Level 2.

Interest Rate Risk - In accordance with its investment policy, the District manages its exposure to declines in fair values by matching investment maturities to meet anticipated cash flow requirements. The policy limits investment maturities to less than 5-years from the date of the purchase, unless the maturities coincide as nearly as practicable with the expected use of the funds.

Credit Risk - The District's investment policy conforms with state law, which restricts investments of public funds to debt securities and obligations of the U.S. Treasury, U.S. Government agencies, and certain other U.S. Government sponsored corporations, certificates of deposit, and other evidences of deposit at financial institutions qualified by the Washington Public Deposit Protection Commission (PDPC), bankers' acceptances, investment-grade general obligation debt of state and local governments and public authorities, and the Washington State Treasurer's Local Government Investment Pool (LGIP). The LGIP portfolio meets the requirements set forth in GASB 79 to report the investment at amortized cost. The reported value of the pool is the same as the fair value of the pool shares. There is no formal withdrawal transaction limit, however, the LGIP requests a one day notice for transaction sizes of ten million dollars or more. The LGIP is governed by the State Finance Committee and is administered by the State Treasurer. The District's investments in the Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation were rated Aaa by Moody's Investor Services and AA+ by Standard & Poor's. The District has a third-party safekeeping agreement for investments through Wells Fargo Bank, N.A.

Concentration of Credit Risk - The District's investment policy limits investments at the time of purchase to a percentage of the total investment portfolio in the following manner:

- Direct obligations of the U.S. Government, up to 100%
- Washington State Treasurer's Local Government Investment Pool, up to 100%

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- U.S. Government agency debt, up to 30% for any single agency
- Certificate of Deposit, up to 50% from any single bank provided they are PDPC approved

Custodial Credit Risk Deposits - For a deposit, this is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's deposits and certificates of deposit are held by public depositaries authorized by the PDPC and are not subject to custodial credit risk. State law requires public depositaries to fully collateralize their uninsured public deposits with approved third-party safekeeping agents and provides for independent oversight of this program.

Note 4 - Other Charges and Other Credits

As of December 31, other charges consisted of the following:

Other Charges	2017	2016
Derivative Asset (Note 1)	$1,140,955	$2,077,305
White Creek Wind Project (Note 8)	5,736,268	6,314,668
Preliminary Surveys	64,007	50,006
Total	**$6,941,230**	**$8,441,979**

During the year ended December 31, 2017, the following changes occurred in other credits:

Other Credits & Other Liabilities	Balance Dec. 31, 2016	Increase	Decrease	Balance Dec. 31, 2017
Unclaimed Property	$35,542	$9,379	$7,796	$37,125
Bio Fuel Deposit	114,541	109,635	75,208	148,968
Derivative Liability (Note 1)	1,919,445	1,122,842	1,919,445	1,122,842
Deferred Revenue	462,210	1,954,337	1,942,952	473,595
Asset Retirement Obligation - Finley CT	180,113	9,006	-	189,119
Personal Leave and Benefits*	1,199,411	1,647,902	1,650,078	1,197,235
Total	**$3,911,262**	**$4,853,101**	**$5,595,479**	**$3,168,884**

** In addition to this amount, $1,483,294 is reported as a current liability for personal leave and related benefits.*

During the year ended December 31, 2016, the following changes occurred in other credits:

Other Credits & Other Liabilities	Balance Dec. 31, 2015	Increase	Decrease	Balance Dec. 31, 2016
Unclaimed Property	$33,036	$7,457	$4,951	$35,542
Bio Fuel Deposit	100,000	14,541	-	114,541
Derivative Liability (Note 8)	2,490,112	1,919,445	2,490,112	1,919,445
Deferred Revenue	580,305	813,538	931,633	462,210
Asset Retirement Obligation - Finley CT	171,536	8,577	-	180,113
Personal Leave and Benefits*	1,594,350	1,609,171	2,004,110	1,199,411
Total	**$4,969,339**	**$4,372,729**	**$5,430,806**	**$3,911,262**

** In addition to this amount, $1,468,894 is reported as a current liability for personal leave and related benefits.*

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Note 5 - Long-Term Debt

During the year ended December 31, 2017, the following changes occurred in long-term debt:

Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2010 Revenue Build America Bonds, due in annual installments of $1,645,000 - $2,250,000 beginning November 1, 2022 through November 1, 2030; interest at 5.86% - 6.546%; Original issue amount: $17,345,000	$17,345,000	$ -	$ -	$17,345,000	$ -
2011 Revenue and Refunding Bonds, due in annual installments of $460,000 - $4,135,000 through November 1, 2035; interest at 2.0% - 5.0% Original issue amount: $38,545,000	20,135,000	-	3,045,000	17,090,000	3,570,000
2016 Revenue and Refunding Bonds, due in annual installments of $790,000 - $1,560,000 beginning November 1, 2023 through November 1, 2041; interest at 4.0% - 5.0%; Original issue amount: $22,470,000	22,470,000	-	-	22,470,000	-
Subtotal	59,950,000	-	3,045,000	56,905,000	3,570,000
Plus: Unamortized premium	4,845,315	-	509,004	4,336,311	
Total Long-Term Debt	**$64,795,315**	**$0**	**$3,554,004**	**$61,241,311**	**$3,570,000**

During the year ended December 31, 2016, the following changes occurred in long-term debt:

Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2010 Revenue Build America Bonds, due in annual installments of $1,645,000 - $2,250,000 beginning November 1, 2022 through November 1, 2030; interest at 5.86% - 6.546%; Original issue amount: $17,345,000	$17,345,000	$ -	$ -	$17,345,000	$ -
2011 Revenue and Refunding Bonds, due in annual installments of $460,000 - $4,135,000 through November 1, 2035; interest at 2.0% - 5.0% Original issue amount: $38,545,000	32,390,000	-	12,255,000	20,135,000	3,045,000
2016 Revenue and Refunding Bonds, due in annual installments of $790,000 - $1,560,000 beginning November 1, 2023 through November 1, 2041; interest at 4.0% - 5.0%; Original issue amount: $22,470,000	-	22,470,000	-	22,470,000	-
Subtotal	49,735,000	22,470,000	12,255,000	59,950,000	3,045,000
Plus: Unamortized premium	3,099,629	3,991,739	2,246,053	4,845,315	
Total Long-Term Debt	**$52,834,629**	**$26,461,739**	**$14,501,053**	**$64,795,315**	**$3,045,000**

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Future debt service requirements on these bonds are as follows:

Year	Principal	Interest	Total
2018	$3,570,000	$2,949,987	$6,519,987
2019	3,750,000	2,771,487	6,521,487
2020	3,940,000	2,583,987	6,523,987
2021	4,135,000	2,386,987	6,521,987
2022	3,340,000	2,180,237	5,520,237
2023-2027	13,930,000	8,555,857	22,485,857
2028-2032	12,495,000	4,273,144	16,768,144
2033-2037	5,940,000	2,247,300	8,187,300
2038-2041	5,805,000	743,500	6,548,500
Total	**$56,905,000**	**$28,692,486**	**$85,597,486**

In March 2010, the District issued $17,345,000 of taxable Electric Revenue Build America Bonds. The proceeds were used to fund capital projects. The U.S. Treasury subsidizes a portion of the interest debt service payments which it pays directly to the Fiscal Paying Agent.

In October 2011, the District issued $38,545,000 of Electric Revenue and Refunding Bonds, Series 2011. The bond proceeds were used to fund $10 million of improvements and replacements in the District's electric utility system and to refund all of the 2001A bonds maturing on or after November 1, 2011, and all of the 2002 bonds maturing on or after November 1, 2012. The portion of bond proceeds for the refunding was placed in an irrevocable trust for future debt service on the refunded bonds.

In September 2016, the District issued $22,470,000 of Electric Revenue and Refunding Bonds, Series 2016. The bond proceeds were used to fund $15.1 million of improvements and replacements of the District's electric utility system and to refund the 2011 bonds maturing on or after November 1, 2023. The portion of bond proceeds for the refunding was placed in an irrevocable trust for future debt service on the refunded bonds. At December 31, 2016, $9,335,000 of the 2011 bonds are considered defeased and are no longer reflected in the District's financial statements. The bond refunding resulted in a cash flow savings of $563,091, and a net present value savings of $462,691. As a result of the bond issue, the District increased its bond reserve fund from $1,083,997 to $1,107,865 in accordance with bond covenants to supplement the bond insurance already in place. The bond construction account had a balance of $0 at December 31, 2016.

These issuances are subject to certain bond reserve requirements satisfied by bond insurance and a bond reserve fund of $1,107,865.

In March 2008, the District established a $10 million revolving line of credit, the Electric System Revenue Note, 2008, with Bank of America. In late 2014, the line of credit was extended for an additional two-year term expiring December 31, 2016, and in late 2016, the line of credit was extended for an additional two-year term expiring December 31, 2018. The line of credit was established in support of District financial policies that require additional liquidity be maintained above minimum cash and investment reserve levels for the purpose of meeting unforeseen short-term cash needs. Specifically, the line of credit can be used in support of general District operations or for irrevocable letters of credit as may be required to satisfy collateral posting requirements under contracts and agreements within the ordinary course of business. Draws on the Note will bear interest based on a pricing grid and formula using the bank's prime rate or the LIBOR rate. This Note is a special obligation of the District payable solely out of a special fund and has a lien on revenues junior to the payment of operating expenses of the electric system and outstanding electric system bonds. No draws on the line of credit have been made.

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Note 6 - Pension Plans

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2017 and 201:

Aggregate Pension Amounts - All Plans		
	2017	2016
Pension liabilities	$9,884,887	$13,019,386
Deferred outflows of resources	$1,429,022	$2,019,756
Deferred inflows of resources	$1,866,603	$245,673
Pension expense/expenditures	$758,364	$1,032,801

State Sponsored Pension Plans

Substantially all District regular full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems,
Communications Unit,
P.O. Box 48380, Olympia, WA 98504-8380

Or it may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as 2 percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least 5 years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of 5 years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions - The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates.

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The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

PERS Plan 1: January – June 2017

Actual Contribution Rates:		Employer	Employee
PERS Plan 1		6.23%	6.00%
PERS Plan 1 UAAL		4.77%	
Administrative Fee		0.18%	
	Total	11.18%	6.00%

PERS Plan 1: July – December 2017

Actual Contribution Rates:		Employer	Employee
PERS Plan 1		7.49%	6.00%
PERS Plan 1 UAAL		5.03%	
Administrative Fee		0.18%	
	Total	12.70%	6.00%

The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 1

Actual Contribution Rates:		Employer	Employee
PERS Plan 1		6.23%	6.00%
PERS Plan 1 UAAL		4.77%	
Administrative Fee		0.18%	
	Total	11.18%	6.00%

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2 percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least 5 years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at 3 percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing 5 years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after 5 years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not

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contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions - The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates.

The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

PERS Plan 2/3: January – June 2017

Actual Contribution Rates:		Employer 2/3	Employee 2
PERS Plan 2/3		6.23%	6.12%
PERS Plan 1 UAAL		4.77%	
Administrative Fee		0.18%	
Employee PERS Plan 3			varies
	Total	11.18%	6.12%

PERS Plan 2/3: July – December 2017

Actual Contribution Rates:		Employer 2/3	Employee 2
PERS Plan 2/3		7.49%	7.38%
PERS Plan 1 UAAL		5.03%	
Administrative Fee		0.18%	
Employee PERS Plan 3			varies
	Total	12.70%	7.38%

The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 2/3

Actual Contribution Rates:		Employer 2/3	Employee 2
PERS Plan 2/3		6.23%	6.12%
PERS Plan 1 UAAL		4.77%	
Administrative Fee		0.18%	
Employee PERS Plan 3			varies
	Total	11.18%	6.12%

Both the District and the employees made the required contributions during fiscal years 2017 and 2016. The District's required employer contributions for the years ending December 31 were as follows:

	2017	2016
PERS Plan 1	$8,343	$11,933
PERS Plan 1 UAAL	$669,660	$624,583
PERS Plan 2/3	$936,046	$815,729
Total	$1,614,049	$1,452,245

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuations completed in 2017 and 2016 with a valuation date of June 30, 2016, and June 30, 2015 respectively. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study and 2015 Economic Experience Study*.

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Additional assumptions for subsequent events and law changes are current as of the 2016 and 2015 actuarial valuation reports. The TPL was calculated as of the valuation dates and rolled forward to the measurement dates of June 30, 2017 and June 30, 2016. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017 and June 30, 2015 to June 30, 2016 for the respective fiscal years, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3% total economic inflation; 3.75% salary inflation
- **Salary increases**: In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the RP-2000 report's "Combined Healthy Table" and "Combined Disabled Table", published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

There were minor changes in methods and assumptions since the last valuation.

For 2017:

- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average expected remaining service lives calculation was revised.

For 2016:

- The assumed valuation interest rate was lowered from 7.8% to 7.7%.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent. To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, whose rates include a component for the PERS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on DRS pension plan investments of 7.5 percent was determined using a building-block-method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents WSIB's most recent long-term estimate of broad economic inflation.

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Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.90%
Real Estate	15%	5.80%
Global Equity	37%	6.30%
Private Equity	23%	9.30%
	100%	

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the table below. The inflation component used to create the table is 2.7 percent and represents WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	100%	

Sensitivity of NPL

The table below presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
2017			
PERS 1	$6,268,626	$5,145,847	$4,173,281
PERS 2/3	$12,767,469	$4,739,040	($1,839,067)
2016			
PERS 1	$7,201,458	$5,971,856	$4,913,708
PERS 2/3	$12,975,770	$7,047,530	($3,668,646)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

The State's pension plans' year-end is June 30, the District's proportionate balances have been rolled forward to the District's year-end of December 31.

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At December 31, 2017, the District reported a total pension liability of $9,884,887 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	$5,145,847
PERS 2/3	$4,739,040

At December 31, 2016, the District reported a total pension liability of $13,019,386 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	$5,971,856
PERS 2/3	$7,047,530

At December 31, the District's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 12/31/17	Proportionate Share 12/31/16	Change in Proportion
PERS 1	0.108446%	0.111198%	(0.002752%)
PERS 2/3	0.136394%	0.139973%	(0.003579%)

Employer contribution transmittals received and processed by DRS for DRS' fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by DRS in the Schedules of Employer and Nonemployer Allocations for all plans.

Pension Expense

For the year ended December 31, 2017 and 2016, the District recognized pension expense as follows:

2017	Pension Expense
PERS 1	$168,714
PERS 2/3	$589,650
Total	$758,364

2016	Pension Expense
PERS 1	$524,740
PERS 2/3	$508,061
Total	$1,032,801

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources 2017	Deferred Outflows of Resources 2016	Deferred Inflows of Resources 2017	Deferred Inflows of Resources 2016
Net difference between projected and actual investment earnings on pension plan investments	-	$150,362	$192,029	-
Contributions subsequent to the measurement date	349,031	323,360	-	-
TOTAL	**$349,031**	**$473,722**	**$192,029**	-

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PERS 2/3	Deferred Outflows of Resources 2017	2016	Deferred Inflows of Resources 2017	2016
Effect of change in the employer's proportionate share	$32,209	($124,668)	$255,401	$ -
Differences between expected and actual experience	480,176	375,276	155,859	232,651
Net difference between projected and actual investment earnings on pension plan investments	-	862,414	1,263,314	-
Changes of assumptions	50,338	72,842	-	-
Contributions subsequent to the measurement date	517,268	414,299	-	-
TOTAL	**$1,079,991**	**$1,600,163**	**$1,674,574**	**$232,651**
Adjustments/ PY amortizations		(54,129)		13,022
TOTAL ALL PLANS	**$1,429,022**	**$2,019,756**	**$1,866,603**	**$245,673**

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	PERS 1	PERS 2/3
2018	($129,800)	($557,480)
2019	$40,980	65,525
2020	($9,515)	(141,983)
2021	($93,694)	(529,018)
2022	-	21,786
Thereafter	-	28,319
Total	($192,029)	($1,112,851)

Excess Compensation

A cash-out of accrued personal leave at termination in excess of 240 hours qualifies as "excess compensation" for PERS Plan 1 members. Excess compensation is included as part of a participant's AFC. When a payment is made that qualifies as excess compensation, the employer is billed for the resulting increase to the retiree's benefit to offset the increased cost to the Department of Retirement Systems. The bill is based on the present value of the increase to the retiree's benefit. Present value is calculated using actuarial tables developed by the Office of the State Actuary and adopted into Washington Administrative Code by the Department of Retirement Systems. Beginning in 2003, the District accrued a liability for future "excess compensation" bills based on personal leave bank balances of PERS Plan 1 employees and actuarial numbers provided by the Office of the State Actuary. The liability for PERS Plan 1 excess compensation at December 31, 2017 and 2016 was$0 and $44,620, respectively.

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Note 7- Deferred Compensation and Health Benefit Plans

Deferred Compensation Plans

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Sections 457(b) and 401(a) permitting employees to defer a portion of their salary until future years. The District match was locked at a maximum rate of 2% on January 1, 2007. The deferred compensation is generally not available to employees until separation from service through termination, retirement, death, or unforeseeable emergency. The 457 plan does contain an employee loan provision. Employees may apply with the Plan Administrator, terms of repayment are set by the Administrator. The plan assets are held in trust for the exclusive benefit of plan participants and beneficiaries. The plans are administered by ICMA-RC.

Health Benefit Plans

Health Reimbursement Arrangement (HRA)

The District, effective January 1, 2015, converted the employee incentive for voluntary participation in the employer provided wellness program to a monthly $150 into an HRA. This payment is intended to help employees pay for qualified health care costs and insurance premiums upon retirement. Contributions are held in trust for the exclusive benefit of participants and beneficiaries. The plan is administered by Gallagher VEBA.

Note 8 - Long-Term Purchased Power Commitments

Bonneville Power Administration (BPA)

Contracts Effective October 2011-September 2028

The District has executed a Slice/Block Power Sales Agreement with BPA for the period commencing October 1, 2011, and expiring September 30, 2028. Compared to the previous agreement, the new Slice agreement has changes in operational flexibility and clarification of with-in hour capacity rights as shown below:

- The Slice Product is a system sale of power that includes requirements power, surplus power, and hourly scheduling rights, all of which are indexed to the variable output capability of the FCRPS resources that comprise the Slice System, and to the extent such capability is available to Power Services after System Obligations and Operating Constraints are met. These capabilities are accessed by the District through the Slice Computer Application, which will reasonably represent and calculate the capabilities available to BPA Power Services from such FCRPS resources after System Obligations and Operating Constraints are met, including energy production, peaking, storage and ramping capability, and which the Slice Computer Application applies the District's Selected Slice Percentage to such capabilities.
- No ability to self-supply ancillary services such as operating reserves, energy imbalance, or dynamic scheduling.
- Slice schedules continue to be firm across the hour of delivery.
- The District's new Slice percentage is 1.36865%.
- The monthly Block amounts range from 80 aMW to 154 aMW.

In conjunction with the new Slice/Block agreement, BPA implemented a Tiered Rates Methodology (TRM). Under the TRM and new agreements, BPA has implemented a cap on the amount of power that the District can purchase at the lowest cost based rates (Tier 1). The cap is referred to in the contract as a Contract High Water Mark (CHWM). The District's CHWM is 204.3 aMW. The maximum amount of power the District can purchase in any federal fiscal year (FFY) is referred to as the Rate Period High Water Mark (RHWM), which adjusts the CHWM for changes in Federal System Capability. For FFY 2016 the RHWM was 199.6 aMW, for FFY 2017 it was 199.6, and FFY 2018 it is 198.0. BPA has a fiscal year of October through September. The amount of power the District can purchase in a FFY is the lesser of its Net Requirement (Forecast load less its share of Packwood) or RHWM and is the Tier 1 amount. This amount for FFY 2016 was 199.6, for FFY 2017 was 199.6, and FFY 2018 is 198.0.

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The TRM provides for the determination of Tier One Cost Allocators (TOCA) to determine monthly charges. The TOCA is determined by dividing the Tier 1 amount by the sum of all BPA customers' RHWM. For FFY 2016, this value for the District was 2.859%; for FFY 2017, this value was 2.859%, and FFY 2018 is 2.852. The TOCA is multiplied by BPA's monthly Composite Charge to determine that portion of the District's monthly BPA power bill that represents BPA's costs. The nonslice TOCA is the TOCA minus the slice percentage resulting in a FFY 2016 value of 1.489%, FFY 2017 value of 1.489% and FFY 2018 value of 1.483%. The nonslice TOCA is multiplied by BPA's nonslice charge to determine that portion of the District's monthly BPA power bill that represent several BPA revenues, primarily their wholesale sales.

BPA has put in place a Power Cost Recovery Adjustment Clause (Power CRAC) that applies to the District's Block purchases. The Power CRAC will trigger if BPA's forecasted Accumulated Calibrated Net Revenues (ACNR) were lower than a calculated amount. For FFY 2017 and 2018, ACNR represents the power net revenues, modified by certain items, as accumulated since FFY 2016. The amount of the Power CRAC would have been determined by the amount ACNR is forecasted to be less than certain values and is capped at $300 million per year. For FFY 2017, the trigger is based on BPA Power function cash reserves for risk levels. If these levels drop below zero, the CRAC could trigger. It is still capped at $300 million per year. If triggered, the CRAC amount would be converted to a percentage and would increase the Block rates charged to the District. The $300 million per year cap would then be increased if BPA triggered a National Marine Fisheries Service FCRPS BiOp (NFB) adjustment. The NFB adjustment would have been triggered if a court ordered additional expenditures for Fish and Wildlife mitigation, an Endangered Species Act (ESA) litigation settlement occurred which resulted in higher costs, a new, more expensive, Biological Opinion (BiOp) was implemented, or BPA committed to implement a recovery plan under the ESA. The NFB adjustment would have started at the beginning of a fiscal year, or during the fiscal year if an emergency was declared. The CRAC did not trigger for FFY 2016, 2017, or 2018.

The rates also contained a Power Reserves Distribution Clause (RDC), which would operate similar to the CRAC but would have lowered the Block rates charged to the District. The RDC would have been triggered when Power ACNR exceeds the Power RDC threshold, measured in Power ACNR, and BPA ACNR exceeds the BPA RDC threshold, measured in BPA ACNR. In FFY 2017 and 2018, the cap is $500 million. The RDC did not trigger for FFY's 2016, 2017, or 2018.

The rates also contained a spill surcharge created to recover the costs associated with increased spill at the dams that is anticipated as a result of a ruling issued Spring 2017 by the U.S. District Court for the District of Oregon. The court indicated that it will order increased spill at eight Federal Columbia River Power System dams on the lower Columbia and Snake rivers for the 2018 spring fish passage season. The surcharge would be in addition to the new power rates and would be implemented once sufficient information becomes available regarding planned annual spill levels.

To obtain needed transmission services, the District entered into a service agreement with BPA for point-to-point transmission services commencing May 31, 1997 and terminating on the earlier of September 30, 2031, or the date of termination established pursuant to BPA's Open Access Transmission Tariff. Effective October 1, 2000, the District obtained transmission demand of 468 MW. It was reduced to 428 MW on October 1, 2003, and 423 MW on October 1, 2005. This service level exceeds requirements needed to meet projected retail loads.

The District, along with over 80% of BPA's Consumer Owned Utility (COU) customers and the region's IOUs entered into an agreement to settle the amount of the residential exchange benefits paid by BPA to the IOUs. The settlement included a provision for BPA to continue to provide COU's a discount on BPA power bills. For the FFY 2016 period, the discount for the District was $182,597/month, and for FFY 2017, the discount was $182,097/month. For FFY 2018, the discount is $183,818/month.

BPA Prepay Program

BPA developed a Prepay Program to help fund hydro system infrastructure and as a means to allow customers to prepay for the future delivery of power consistent with the existing power supply agreements, except that payment provisions would be revised to reflect the prepayment. The District submitted an offer for one block in the amount of

$6.8 million that was accepted and, in return, would receive a total of $9.3 million in credits resulting in net present value savings of $1.1 million. The District made a lump-sum up-front payment in March 2013, and began receiving a $50,000 credit each month on its power bill beginning April 2013 and continues until September 2028.

Energy Northwest

The District, Energy Northwest, and BPA have entered into separate agreements with respect to certain Energy Northwest projects. Under these agreements, the District has purchased 4.965%, 5.350%, and 4.295% capability of Project No. 1, Columbia Generating Station, and Energy Northwest's 70% share of Project No. 3, respectively. All project participants, including the District, have assigned their respective rights to the capability of these projects to BPA under contracts referred to as net-billing agreements. Project participants are obligated to pay Energy Northwest their pro rata share of total project costs, and BPA in turn is obligated to pay the participants identical amounts by reducing amounts due to BPA under power sales agreements. The net-billing agreements provide that participants and BPA are obligated to make such payments whether or not the projects are completed, operable, or operating and notwithstanding the suspension, interruption, interference, reduction, or curtailment of the projects' output.

BPA and Energy Northwest received a favorable private letter ruling from the IRS allowing for direct-pay agreements effective June 2006. The ruling assures that the proposed direct-pay agreements do not adversely affect the existing federal income tax-exemption on the BPA-backed bonds issued by Energy Northwest for three nuclear projects. Under the direct-pay agreements, BPA pays amounts directly to Energy Northwest to cover the costs of the projects. This enables Energy Northwest to reduce to zero the amounts it bills to project participants and also reduces to zero the amount of net-billing credits BPA provides. The direct-pay agreements improve BPA's cash flows and provide an opportunity for rate relief for the region. The District began participation in the direct-pay program in June 2006.

Additionally, the District entered into a Nine Canyon Wind Project Power Purchase Agreement with Energy Northwest for the purchase of 3 MW of the project generating capacity (1 aMW) of Phase I through July 1, 2023. The project reached commercial operation in late 2002. The District on October 30, 2006, signed an Amended and Restated Agreement with ENW and the other purchasers, which extended the term of the Agreement through July 1, 2030 (with rights to extend the agreement for 5-year terms) and provided the District with 6 MW (2 aMW) from the Phase III expansion (see Note 12).

Packwood Lake Hydroelectric Project (Packwood)

The District is a 14% participant in Energy Northwest's 27 MW Packwood Project, located in the Cascade Mountains south of Mount Rainier. The Packwood Agreement with Energy Northwest obligates participants to pay annual costs and receive excess revenues. Energy Northwest recognizes revenues equal to expenses for each period. No net revenue or loss is recognized, and no equity is accumulated. Accordingly, no investment for the joint venture is reflected on the District's statement of net position. No distributions were made in 2017 or 2016.

Frederickson Plant

In March 2001, the District entered into a 20-year agreement with Frederickson Power LP for the purchase of 50 MW of contract capacity beginning September 2002 from the 249 MW Frederickson 1 Generating Station combined-cycle natural gas fired combustion turbine plant near Tacoma, Washington. The agreement includes firm gas transportation from the Canadian border to the plant. Power deliveries and variable energy charges are based on a deemed heat rate of 7,100 British thermal units (Btu) per kilowatt-hour (kWh). Up to 40% of the contract capacity may be displaced regardless of the dispatch decisions of other purchasers. Power costs include a capacity charge and fixed and variable operation and maintenance charges indexed to performance and escalation factors. The District receives fuel management services for the Frederickson Plant from The Energy Authority (TEA).

Lakeview Light and Power (LL&P) Wind Energy, Inc.

In April 2007, the District entered into a 20-year Energy and Environmental Attributes Purchase Agreement with LL&P to purchase 3 MW of capacity (1 aMW) at the White Creek Wind Project. This project is a wind generation facility with capacity of 204.7 MW. It is located in Klickitat County and was declared to be in commercial operation in November 2007. The purchase is part of the District's strategy for meeting renewable resource requirements of the Energy

Independence Act (EIA) (see Note 12). The District pays for only the energy and associated environmental attributes generated by the project.

White Creek Wind Project

In September 2008, the District entered into an Assignment Agreement with Klickitat PUD under which Klickitat PUD assigned the District a 3% share of its Energy Purchase Agreement with White Creek Wind I, LLC for $11.1 million. The purchase is part of the District's strategy for meeting renewable resource requirements of EIA (see Note 12). The purchase cost is being amortized on a straight-line basis over a 19-year term. In both 2016 and 2017, power supply expense includes $578,400 each year in amortization of the purchase cost. This 3% share of the 204.7 MW project represents 6.14 MW (2 aMW).

BioFuels Washington, LLC Project/Emerald City Renewables LLC

In February 2013, the District entered into a contract with BioFuels Washington, LLC of Encinitas, CA, to purchase 33,000 Renewable Energy Credits (REC) annually, with a contract term of March 1, 2013, through March 31, 2026, with delivery beginning January 1, 2016. This REC purchase counts toward the District's compliance with the EIA target of 9% renewable energy that began in 2016.

Subsequently, on September 18, 2013, the State of Washington Department of Commerce issued an advisory opinion stating that electricity generated by the BioFuels Washington facility qualifies as distributed generation under RCW 19.285.040(2)(b). For purposes of the compliance with EIA, the Renewable Energy Credits purchased from BioFuels will count double. Therefore, for compliance purposes, this contract provides 66,000 RECs annually toward the District's 9% renewable energy target.

In October 2015, the District consented to the assignment of contracts of the facility to Emerald City Renewables LLC. There were no changes to the District's rights or obligations.

Idaho Wind Partners

In December 2014, the District entered into contracts with Payne's Ferry Wind Park, LLC and Yahoo Creek Wind Park, LLC, which are owned by Idaho Wind Partners, to purchase Renewable Energy Credits (REC) with a contract term starting in 2015 through 2024. This REC purchase counts toward the District's compliance with the EIA target of 9% renewable energy that began in 2016.

Other Power Supply Contracts and Purchases

The District entered into a Resource Management Agreement (RMA) with TEA on July 1, 2006, to provide scheduling, dispatching, fuel management, and other power management services. The agreement was restated and extended in 2009 and continues until terminated by either party. The District and TEA have the right to terminate the agreement upon 1 years written notice. The agreement also provides for annual consulting task orders to provide for a variety of power management services. Under the agreement, TEA is authorized to trade real time, day-ahead transactions, and forward transactions as principal on behalf of the District. TEA is currently not trading forward transactions as principal. This arrangement allows a financial benefit to the District with TEA trading in aggregated larger power blocks and passing the resulting transaction pricing on to the District. It also provides the advantages of simplified settlement, lower operational and settlement risk, and rigorous documentation and equitable allocation of pricing for like transactions across PUDs. In December 2008, the RMA was amended to allow these transactions to be traded utilizing TEA's credit and contracts as discussed in Note 1(i).

As discussed in Note 1(i), the District entered into other power supply contracts and purchases as follows:

- At December 31, 2017, the District had entered into various short-term financial forward sales and purchase contracts committing the District through December 2019. Financial forward contracts for electricity and gas had a net positive fair value of $18,113 at December 31, 2017, and are reflected in the financial statements as deferred inflows of resources and deferred outflows of resources.

- At December 31, 2016, the District had entered into various short-term financial forward sales and purchase contracts committing the District through February 2019. Financial forward contracts for electricity and gas

had a net positive fair value of $171,796 at December 31, 2016, and are reflected in the financial statements as deferred inflows of resources and deferred outflows of resources. In addition, the District had entered into put options expiring the first quarter of 2017. These options had a negative fair value of $13,935 at December 31, 2016, and are reflected in the financial statements as deferred inflows of resources and deferred outflows of resources.

Note 9 - Self-Insurance

In the normal course of business, the District is exposed to various risks of loss related to liability claims, property damage, and employee health and welfare programs. The District participates in the following self-insurance programs to protect against such losses.

Public Utility Risk Management Services Self-Insurance Fund
The District is a member of the Public Utility Risk Management Services (PURMS) Self-Insurance Fund. PURMS is a public entity risk pool organized on December 30, 1976, in the State of Washington under RCW 54.16.200 and interlocal governmental agreements. It currently operates under RCW 48.62. Its members include 17 public utility districts and one non-profit mutual corporation. The objectives of PURMS are to formulate, develop, and administer a program of self-insurance in order to obtain lower costs for the various coverages provided to its members and to develop a comprehensive loss control program.

The risks shared by the members are defined in the Self-Insurance Agreement (SIA). The fund consists of three pools for liability, property, and health and welfare coverage. The pools operate independently of one another. All members do not participate in all pools. The District does not participate in the health and welfare pool.

The pools are governed by a Board of Directors which consists of one designated representative from each participating member. The Administrator and an elected Administrative Committee are responsible for conducting the business affairs of the Pool.

PURMS engages an independent qualified actuary on an annual basis to determine the claim financing levels, liabilities for unpaid claims, and claims adjustment expenses for the Liability Pool and the Property Pool. A copy of these reports is provided to the Washington State Risk Manager and to the Washington State Auditor's Office. Audit reports for the Trust are available from the Washington State Auditor's Office (Report Nos. 1019718 and 1019719 for fiscal year 2016 and 1017390 and 1017391 for fiscal year 2015).

The pools are fully funded by its current and former members. Members that withdraw from PURMS are responsible for their share of contributions to the pools for any unresolved, unreported, and in-process claims for the period they were signatory to the SIA. Claims are filed by members with the Administrator, Pacific Underwriters, Seattle, WA, which serves by contract as the fund's Administrator and provides claims adjustment and loss prevention services.

Settled claims have not exceeded insurance coverage in any of the past 3 fiscal years.

Liability Risk Pool
The liability pool has a $1 million liability coverage limit per occurrence. In addition, the fund maintains $35 million of excess general liability insurance over the $1 million retention. A second layer of excess general liability insurance of $25 million is also maintained over the first layer of $35 million. The fund maintains $35 million in directors and officers liability coverage with a retention level of $500,000. The fund also maintains $10 million in cyber security liability coverage with a retention level of $500,000. The deductible is $250.

The liability pool reserve balance is $3.35 million. Liability assessments are levied at the beginning of each calendar year to replenish the reserves to the designated level and at any time during the year that the actual reserves drop to $500,000 less than the designated level. The minimum reserve balance may be increased above $3.35 million through member assessments to meet legal funding requirements based on annual actuarial reviews.

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Property Risk Pool
The majority of the property in the property pool has a self-insured retention of $250,000 per property loss. Certain classes of property have higher retention requirements up to $750,000. In addition, the fund purchases $200 million of excess insurance over the $250,000 (or higher) retention level. The deductible varies but for most classes of property it is $250.

The designated property pool reserve balance is $750,000. Property assessments are levied at the beginning of each calendar year to replenish the reserves to the designated level and at any time during the year that the actual reserves drop below $500,000. The minimum reserve balance may be increased above $750,000 through member assessments to meet legal funding requirements based on annual actuarial reviews.

Central Washington Public Utilities Unified Insurance Program Trust
The District is a member of the Central Washington Public Utilities Unified Insurance Program Trust (Trust). The Trust was organized October 1, 1982, pursuant to the provisions of RCW Title 54 and interlocal governmental agreements. The Trust's general objectives are to provide a central fund for the collection and disbursement of employee benefit premiums and claims involving medical, dental, life, and long-term disability coverage. The Trust is administered by a Board of Trustees consisting of an appointed Trustee and Alternate Trustee from each of the seven member Districts. The Trustees are authorized to negotiate, obtain, maintain insurance policies, and authorize disbursements made from the Trust to Third-Party Administrators or other entities. Effective August 1, 2002, the Trust established a self-insured medical plan. Effective January 1, 2009, the Trust established a self-insured dental plan. Both plans are approved by the State Risk Office. The audit reports for the Trust are available from the Washington State Auditor's Office (Report Nos. 1019357 and 1019358 for fiscal year 2016 and 1017101 for fiscal year 2015).

Unemployment Claims
The District pays unemployment claims on a reimbursement basis with claims administered by the Washington State Department of Employment Security.

Short-Term Disability Insurance
The District self-pays short-term disability benefits through a 70% salary continuation program from the 41st consecutive scheduled hour of inability to work until the employee either recovers and returns to work or completes the waiting period required for long-term disability insurance eligibility, whichever is earlier. Certification of illness or injury by a licensed, competent medical authority is required. The District utilizes a Third-Party Administrator who provides medical oversight and advice-to-pay for disability claims.

Note 10 - Participation in Northwest Open Access Network, Inc. (NoaNet)

The District, along with nine other Washington State public entities, is a member of NoaNet, a Washington nonprofit mutual corporation. NoaNet was incorporated in February 2000 to provide a broadband communications backbone over public benefit fibers leased from BPA throughout Washington. The network began commercial operation in January 2001.

As a member of NoaNet and as allowed by RCW 54.16, the District has guaranteed certain portions of NoaNet debt based on its proportionate membership share (see Note 12). The District's membership interest in NoaNet was 20.72% in 2017 and 2016. NoaNet continues to meet its debt obligations through profitable operations. NoaNet reserves the right to assess members to cover deficits from operations. There have been no member assessments since 2011.

NoaNet recorded a decrease in net position (excluding grant proceeds) of $6,791,730 (unaudited) for 2017 and a decrease of $7,206,634 (audited) for 2016. In accordance with GAAP a proportionate share of these gains/losses has not been recorded by the District. In accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees,* the District has included all required disclosures for its guarantees of NoaNet debt (see Note 12).

Financial statements for NoaNet may be obtained by writing to: Northwest Open Access Network, Chief Financial Officer,7195 Wagner Way, Suite 104, Gig Harbor, WA 98335.

Note 11 - Telecommunications Services

The District has installed and continues to build out a fiber optic backbone system in its service area to provide wholesale telecommunication services and for internal use by the electric system. The District has connected its fiber optic system to NoaNet's fiber optic communications system. The District regularly reviews its product offerings and makes adjustments as needed. In 2017, the District began offering an Access Internet service option.

Broadband operations and capital activity for the years ended December 31, 2017 and 2016, follows:

Broadband	2017	2016
Operating Revenues		
Ethernet	$1,391,655	$1,301,597
TDM	56,463	69,372
Internet Transport Service	50,181	76,765
Fixed Wireless	64,924	75,282
Access Internet	76,323	-
Other Revenue	524,954	522,741
Total Operating Revenues	***$2,164,500***	***$2,046,069***
Operating Expenses		
General Expenses	$769,268	$811,789
Other Maintenance	71,666	120,000
NoaNet Maintenance Expense	3,754	-
Subtotal before depreciation	844,688	931,789
Depreciation	777,331	990,049
Total Operating Expenses	***$1,622,019***	***$1,921,838***
Nonoperating Expenses	$9,675	$3,864
Capital Investment (Annual)	$1,040,811	$877,652
Capital Investment (Cumulative)	$21,760,283	$20,719,472

The above amounts are included in summarized line items on the Statement of Net Position and Statement of Revenues, Expenditures, and Changes in Net Position

NOTE 12 - Other Commitments and Contingent Liabilities

Repayment Agreement Relating to NoaNet Revenue Bonds (see Note 10)

In July 2001, NoaNet issued $27 million in Telecommunications Network Revenue Bonds (2001 Bonds) to finance the repayment of the founding members and the costs of initial construction, operations, and maintenance. The Bonds became due beginning in December 2003 through December 2016 with interest due semi-annually at rates ranging from 5.05% to 7.09%. In June 2011, NoaNet issued $13,165,000 in Telecommunications Network Revenue Refunding Bonds (2011 Refunding Bonds) to refinance certain 2001 Bonds. The final principal payment on the nonrefunded 2001 Bonds was made in December 2011. The 2011 Refunding Bonds became due in December 2012 through December 2016 with interest due semi-annually at rates ranging from 0.75% to 3.0%..

Current and former Members of NoaNet entered into Repayment Agreements to guarantee the debt of NoaNet.

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Under the Repayment Agreement, each guarantor acknowledged and agreed that it is a guarantor of the payment of the principal of and interest on the Bonds and was liable by assessment or otherwise to repay NoaNet for amounts due and owing with respect to such principal and interest up to each Member's percentage interest. The District's guarantee was 14.06% of the outstanding Bonds.

In the event of a failure by any guarantor to pay such amounts when due, NoaNet may bill as necessary, and each guarantor was obligated to pay 30 days after receipt of the bill, an additional amount up to a maximum of 25% of such Member's percentage interest (the "Step-Up"), up to the maximum percentage interest, in order to cover the deficiency caused by such Member's or Members' failure to pay. Any Member that pays an additional amount to cover a deficiency reserves all rights to seek reimbursement from the Member or Members that failed to pay. The District's maximum percentage interest was 17.57%. The Bonds were entirely paid off in 2016; therefore, the District has no continuing guaranty.

Energy Northwest - Nine Canyon Wind Project

The Nine Canyon Wind Energy Project is owned and operated by Energy Northwest. The District, along with nine other public utilities, is a participant in Phases I and III of the Project. Under its Power Purchase Agreement, the District is obligated to pay its percentage share of the annual debt service of each project Phase and the operation and maintenance costs of the project in return for its percentage share of project output, whether or not the project is operating or capable of operating. Under the agreement, the District is obligated to pay an amended percentage share effective May 2008 when Phase III achieved commercial operation. Under a step-up provision, the District could be required to pay up to a maximum of 125% of its percentage share in the event of default by another purchaser. The Agreement limits Energy Northwest's total annual operation and maintenance cost to $4 million prior to Phase III Commercial Operation and to $7 million post Phase III Commercial Operation. These limits will change annually based on certain inflation indexes.

The agreement terminates July 1, 2030. The District's applicable percentage share obligations are:

Allocation of Cost	District % Share	District % Share under Step-up Provision
Debt Service - Phase I	6.25%	7.81%
Debt Service - Phase III	18.63%	23.29%
O&M Costs - Prior to Phase III Commercial Operation	4.72%	5.90%
O&M Costs - Post Phase III Commercial Operation	9.39%	11.74%

Energy Independence Act (Initiative 937)

With the passage of Initiative 937 by Washington voters in November 2006, all electric utilities with more than 25,000 customers are required to purchase renewable energy in gradually increasing percentages and to establish and meet a minimum biennial energy conservation target. As of December 31, 2012, the District had renewable energy contracts in place that satisfy the Initiative's initial renewable target of 3% by 2012. The renewable requirement increases to 9% of retail load in 2016, and finally to 15% of retail load in the year 2020. Total incremental expenses for qualifying renewable resources plus the cost of renewable energy credits are limited to 4% of the annual retail revenue requirement.

In 2015, the Commission established the minimum Biennial Conservation Target for 2016–2017 of 1.97 aMW. The District exceeded the goal with 2.60 aMW.

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Operating Leases

The District leases electrical testing equipment on an annual basis. The annual rental cost was $27,910 for 2017 and $25,749 for 2016.

The District has entered into an agreement to lease a parcel of land upon which the District constructed the Finley CT in 2001. The agreement is in effect from June 1, 2001, to June 1, 2021. The agreement may be extended up to an additional 20 years with the consent of both parties. The agreement is classified as a non-cancellable operating lease of more than 1 year.

The annual rental cost for the land was $58,008 and $56,838 for 2017 and 2016, respectively.

The future minimum rental payments are:

Year	Minimum Rental Payment
2018	$58,724
2019	58,724
2020	58,724
2021	29,362
Total	$205,534

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Required Supplementary Information

Public Utility District No. 1 of Benton County

Schedule of Proportionate Share of the Net Pension Liability

PERS Plan 1
As of June 30, 2017
Last 10 Fiscal Years

	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.108446%	0.111198%	0.114841%	0.115142%
Employer's proportionate share of the net pension liability	$5,145,847	$5,971,856	$6,007,252	$5,800,332
Employer's covered employee payroll	$131,788	$106,938	$100,338	$188,586
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	3905%	5584%	5987%	3076%
Plan fiduciary net position as a percentage of the total pension liability	61%	57%	59%	61%

Notes to Schedule:

There are no factors at year-end that significantly affect trends in the amounts reported above.

The ten year information will be provided as it is available.

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Public Utility District No. 1 of Benton County

Schedule of Proportionate Share of the Net Pension Liability

PERS Plan 2/3
As of June 30, 2017
Last 10 Fiscal Years

	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.136394%	0.139973%	0.145674%	0.143243%
Employer's proportionate share of the net pension liability	$4,739,040	$7,047,530	$5,205,015	$2,895,458
Employer's covered employee payroll	$13,371,937	$12,986,531	$12,446,584	$12,271,821
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	35%	54%	42%	24%
Plan fiduciary net position as a percentage of the total pension liability	91%	86%	89%	93%

Notes to Schedule:

There are no factors at year-end that significantly affect trends in the amounts reported above.

The ten year information will be provided as it is available.

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Public Utility District No. 1 of Benton County

Schedule of Employer Contributions

PERS Plan 1
As of December 31, 2017
Last 10 Fiscal Years

	2017	2016	2015	2014
Statutorily or contractually required contributions	$678,004	$636,516	$571,651	$514,217
Contributions in relation to the statutorily or contractually required contributions	(678,004)	(636,516)	(571,651)	(514,217)
Contribution deficiency (excess)	-	-	-	-
Covered employer payroll	$75,850	$108,487	$105,271	$139,599
Contributions as a percentage of covered employee payroll	894%	587%	543%	368%

Notes to Schedule:

There are no factors at year-end that significantly affect trends in the amounts reported above.

The ten year information will be provided as it is available.

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Public Utility District No. 1 of Benton County

Schedule of Employer Contributions

PERS Plan 2/3
As of December 31, 2017
Last 10 Fiscal Years

	2017	2016	2015	2014
Statutorily or contractually required contributions	$936,046	$815,729	$720,845	$612,316
Contributions in relation to the statutorily or contractually required contributions	(936,046)	(815,729)	(720,845)	(612,316)
Contribution deficiency (excess)	-	-	-	-
Covered employer payroll	$13,675,514	$13,096,369	$12,790,442	$12,335,880
Contributions as a percentage of covered employee payroll	7%	6%	6%	5%

Notes to Schedule:

There are no factors at year-end that significantly affect trends in the amounts reported above.

The ten year information will be provided as it is available.

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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the years ended December 31 (unaudited)

	2017	2016	2015	2014 restated[3]
OPERATING REVENUES				
Sales of Electric Energy - Retail	$130,811,427	$120,438,526	$116,820,422	$117,641,940
Energy Sales for Resale	14,542,756	14,808,281	17,678,932	23,325,872
Transmission of Power for Others	1,284,536	915,169	690,639	632,528
Broadband Revenue	2,164,500	2,046,068	2,024,661	2,191,287
Other Revenue	1,338,933	1,653,580	1,670,466	1,472,425
Total Operating Revenues	150,142,152	139,861,624	138,885,120	145,264,052
OPERATING EXPENSES				
Purchased Power	83,025,012	80,889,012	82,340,739	84,714,618
Purchased Transmission & Ancillary Services	13,205,172	12,997,169	12,816,306	12,925,752
Conservation Program	544,381	307,113	417,113	89,940
Transmission Operations & Maintenance	199,419	260,519	81,305	81,220
Distribution Operations & Maintenance	9,799,347	9,029,751	9,051,462	8,540,568
Broadband Expense	844,688	931,789	1,022,025	982,869
Customer Accounting, Collection & Information	3,735,098	3,411,338	3,794,832	3,788,799
Administrative & General	7,181,596	6,331,749	7,229,048	6,909,615
Taxes	14,018,894	12,630,500	12,263,706	12,394,110
Depreciation	10,177,574	12,630,490	13,207,539	12,894,915
Total Operating Expenses	142,731,181	139,419,430	142,224,075	143,322,406
OPERATING INCOME/(LOSS)	**7,410,971**	**442,194**	**(3,338,955)**	**1,941,646**
NONOPERATING REVENUES & EXPENSES				
Interest & Other Nonoperating Income	1,167,737	647,361	748,220	525,553
Interest Expense & Other Nonoperating Expense	(2,910,007)	(2,664,442)	(2,756,755)	(2,844,753)
Debt Premium Amortization & Loss on Defeased Debt [1]	492,959	143,522	419,819	445,518
Unrealized Gain/(Loss) on Investments	(33,130)	(4,170)	24,568	173,722
Assessments to Joint Venture	-	-	-	-
Total Nonoperating Revenues & Expenses	(1,282,441)	(1,877,729)	(1,564,148)	(1,699,960)
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND EXTRAORDINARY ITEM	**6,128,530**	**(1,435,535)**	**(4,903,103)**	**241,686**
CAPITAL CONTRIBUTIONS	1,990,641	1,164,819	2,471,250	3,834,420
EXTRAORDINARY ITEM	-	-	-	-
CHANGE IN NET POSITION	**8,119,171**	**($270,716)**	**($2,431,853)**	**4,076,106**

NET POSITION

For the years ended December 31 (unaudited)

	2017	2016	2015	2014[3]
Net Investment in Capital Assets	$64,407,047	$58,672,489	$68,039,579	$65,363,895
Restricted for Debt Service	1,107,865	1,107,865	1,083,997	140,017
Restricted Settlement Proceeds	-	-	-	-
Unrestricted[2]	58,640,111	56,255,498	47,182,992	53,234,509
Total Net Position	**$124,155,023**	**$116,035,852**	**$116,306,568**	**$118,738,421**

(1) Governmental Accounting Standards Board Statement No. 65 was implemented effective 2012 classifying debt issuance costs as expense when incurred. 2011 was restated for comparative purposes in the financial statements.

(2) Governmental Accounting Standards Board Statement No. 65 was implemented effective 2012 classifying debt issuance costs as expense when incurred. 2010 was restated for comparative purposes and the cumulative effect of $(703,941) for prior years has been applied to the Unrestricted balance.

(3) Governmental Accounting Standards Board Statement No. 68 was implemented effective 2015 recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses relating to pension liabilities. The cumulative effect on net pension for 2014 was $12, 217,716.

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2013	2012	2011 restated	2010 restated	2009	2008
$115,079,778	$110,799,843	$105,228,051	$94,137,792	$91,942,100	$86,236,604
18,232,140	14,048,971	25,773,429	30,122,467	38,885,352	53,188,137
776,957	797,837	397,063	230,978	229,429	225,908
1,980,605	1,620,054	1,617,919	1,181,892	927,041	858,566
1,249,791	1,879,829	1,424,566	1,403,220	1,348,716	1,449,381
137,319,271	129,146,534	134,441,028	127,076,349	133,332,638	141,958,596
77,877,737	68,652,534	75,475,402	78,768,878	75,055,153	91,764,877
11,677,803	11,260,088	10,276,334	9,315,582	10,074,812	10,295,990
1,315,642	405,589	808,494	1,795,846	679,406	130,064
82,066	12,684	17,575	26,909	30,026	20,449
8,092,079	8,191,232	7,499,422	7,163,781	7,092,143	6,998,119
890,521	696,415	674,581	712,433	577,958	662,267
4,026,839	3,954,421	3,388,582	3,773,740	4,011,243	3,850,215
6,444,642	6,276,795	5,384,210	5,396,629	5,557,985	5,420,309
12,144,846	11,814,545	10,890,913	9,513,213	9,956,874	9,197,531
12,671,992	11,642,052	10,769,424	9,751,161	9,367,272	9,369,594
135,224,167	122,906,355	125,184,937	126,218,172	122,402,872	137,709,415
2,095,104	**6,240,179**	**9,256,091**	**858,177**	**10,929,766**	**4,249,181**
612,901	668,774	602,075	488,924	358,811	1,198,244
(2,913,078)	(3,001,895)	(2,958,273)	(2,703,991)	(2,278,184)	(2,443,373)
459,652	459,198	(237,799)	(674,641)	(34,128)	(40,312)
(241,104)	19,862	-	-	-	-
-	-	(70,300)	(129,550)	(236,393)	(402,707)
(2,081,629)	(1,854,061)	(2,664,297)	(3,019,258)	(2,189,894)	(1,688,148)
13,475	**4,386,118**	**6,591,794**	**(2,161,081)**	**8,739,872**	**2,561,033**
2,706,411	2,368,597	1,394,438	1,271,831	3,072,025	1,885,387
-	-	-	-	-	-
2,719,886	**6,754,715**	**7,986,232**	**($889,250)**	**11,811,897**	**4,446,420**

2013	2012	2011	2010	2009	2008
$62,492,766	$58,085,620	$59,836,918	$61,389,146	$64,930,735	$56,656,963
140,017	140,017	140,017	706,157	-	-
-	-	-	-	86,955	-
64,247,248	65,934,508	57,428,495	47,323,895	45,848,815	42,397,645
$126,880,031	**$124,160,145**	**$117,405,430**	**$109,419,198**	**$110,866,505**	**$99,054,608**

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REVENUES AND CONSUMPTION BY CUSTOMER CLASS

For the years ended December 31 (unaudited)

	2017	2016	2015	2014
AVERAGE NUMBER OF CUSTOMERS				
Residential	43,870	43,157	42,375	41,758
General Service	5,919	5,840	5,737	5,643
Industrial	5	5	3	3
Irrigation	987	790	794	788
Miscellaneous	2,330	1,850	1,853	1,861
Total	53,111	51,642	50,762	50,053
RETAIL ELECTRIC SALES (IN THOUSANDS) [1]				
Residential	$62,861	$53,643	$51,402	$52,862
General Service	36,690	34,223	33,706	33,829
Industrial	3,440	3,214	3,051	3,250
Irrigation	21,825	22,348	22,283	22,794
Miscellaneous	673	656	616	616
Total	$125,489	$114,084	$111,058	$113,351
RETAIL ELECTRIC SALES IN MWh				
Residential	759,634	661,742	665,505	696,804
General Service	545,884	525,603	530,283	533,008
Industrial	67,084	64,612	66,942	71,869
Irrigation	405,805	435,186	468,202	472,643
Miscellaneous	6,691	6,935	7,090	6,998
Total	1,785,098	1,694,078	1,738,022	1,781,322
AVERAGE REVENUE PER kWh (CENTS) [1]				
Residential	8.28	8.11	7.72	7.59
General Service	6.72	6.51	6.36	6.35
Industrial	5.13	4.97	4.56	4.52
Irrigation	5.38	5.14	4.76	4.82
Miscellaneous	10.05	9.46	8.69	8.81
Average - All Classes	7.03	6.73	6.39	6.36

(1) Includes total retail revenue (per kWh charge and base charge); excludes city utility occupation tax, bad debt expense, and accrued unbilled revenue.

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2013	2012	2011	2010	2009	2008
41,322	40,645	40,201	39,687	39,220	38,855
5,572	5,499	5,421	5,356	5,289	5,192
3	3	3	3	3	3
772	721	722	736	746	736
1,852	1,842	1,850	1,834	1,816	1,814
49,521	48,710	48,197	47,616	47,074	46,600
$52,924	$50,678	$49,258	$43,707	$43,704	$41,116
32,959	32,416	29,864	27,575	25,605	24,750
3,176	3,223	2,780	2,167	1,483	1,662
19,630	18,817	17,602	15,642	16,290	13,936
622	821	790	762	733	690
$109,311	$105,955	$100,294	$89,853	$87,815	$82,154
697,887	668,018	687,953	654,775	721,720	666,418
519,493	512,797	503,471	503,037	530,255	510,144
69,803	70,575	65,411	55,365	38,909	47,760
402,619	385,738	381,999	371,321	427,269	407,432
6,972	8,148	9,528	8,304	8,188	8,102
1,696,774	1,645,276	1,648,362	1,592,802	1,726,341	1,639,856
7.58	7.59	7.16	6.68	6.06	6 17
6.34	6.32	5.93	5.48	4.83	4.85
4.55	4.57	4.25	3.91	3.81	3.48
4.88	4.88	4.61	4.21	3.81	3.42
8.92	10.08	8.29	9.17	8.95	8.51
6.44	6.44	6.08	5.64	5.09	5.01

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RETAIL RATES [1]

For the years ended December 31 (unaudited)

	2017	2016	2015	2014
Residential				
Daily System Charge[2]	$0.62	$0.55	$0.52	-
Monthly Base Charge (single phase)	-	-	-	$11.05
Energy Charge (cents/kWh)	7.18	7.18	6.84	6.84
Small General Service				
Daily System Charge[2] (Single-Phase)	$0.54	$0.46	$0.44	-
Daily System Charge[2] (Multi-Phase)	$0.80	$0.68	$0.65	-
Monthly Base Charge (single phase)	-	-	-	$11.95
Energy Charge Effective 2010 (cents/kwh)	6.44	6.44	6.14	6.14
Prior to 2010				
First 20,000 kwh	-	-	-	-
Over 20,000 kwh	-	-	-	-
Medium General Service				
Daily System Charge[2] (Single-Phase)	$1.08	$0.92	$0.88	-
Daily System Charge[2] (Multi-Phase)	$1.61	$1.38	$1.32	-
Monthly Base Charge (single phase)	-	-	-	$17.55
Energy Charge (cents/kwh)				
Summer (Effective 2011)	5.09	5.09	4.85	4.85
Winter (Effective 2011)	5.97	5.97	5.69	5.69
Summer (Prior to 2011)				
First 20,000 kwh	-	-	-	-
Over 20,000 kwh	-	-	-	-
Winter (Prior to 2011)				
First 20,000 kwh	-	-	-	-
Over 20,000 kwh	-	-	-	-
Demand Charge	$9.55	$8.77	$8.36	$8.36
Large General Service				
Daily System Charge[2] (Multi-Phase)	$1.96	$1.38	$1.32	-
Monthly Base Charge (multi phase)	-	-	-	$26.10
Energy Charge - Non Time of Use (cents/kwh)				
Summer (Effective 2010)	4.11	4.11	3.92	3.89
Winter (Effective 2010)	4.92	4.92	4.69	4.65
Summer (Prior to 2010)				
First 20,000 kwh	-	-	-	-
Over 20,000 kwh	-	-	-	-
Winter (Prior to 2010)				
First 20,000 kwh	-	-	-	-
Over 20,000 kwh	-	-	-	-
Demand Charge	$7.93	$7.45	$7.10	$7.00

(1) These rates represent the typical customer. Other monthly charges may apply.
Other rate schedules also in effect are small irrigation, large irrigation, industrial, and miscellaneous.

(2) The Daily System Charge was effective 9/1/2015 and replaced the Monthly Base Charge.
The rate is per day and applied to the number of days in the billing period.

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2013	2012	2011	2010	2009	2008
-	-	-	-	-	-
$11.05	$11.05	$10.50	$9.20	$8.80	$8.80
6.84	6.84	6.49	6.05	5.78	5.78
-	-	-	-	-	-
-	-	-	-	-	-
$11.95	$11.95	$11.45	$11.45	$10.70	$10.70
6.14	6.14	5.88	5.47	-	-
-	-	-	-	5.13	5.13
-	-	-	-	3.35	3.35
-	-	-	-	-	-
-	-	-	-	-	-
$17.55	$17.55	$16.30	$14.25	$13.20	$13.20
4.85	4.85	4.51	-	-	-
5.69	5.69	5.29	-	-	-
-	-	-	4.45	4.46	4.46
-	-	-	3.55	2.74	2.74
-	-	-	5.29	5.24	5.24
-	-	-	4.19	3.33	3.33
$8.36	$8.36	$7.77	$7.13	$6.60	$6.60
-	-	-	-	-	-
$26.10	$26.10	$24.15	$18.60	$17.40	$17.40
3.89	3.89	3.59	3.31	-	-
4.65	4.65	4.30	3.97	-	-
-	-	-	-	4.33	4.33
-	-	-	-	2.89	2.89
-	-	-	-	4.72	4.72
-	-	-	-	3.56	3.56
$7.00	$7.00	$6.48	$5.99	$5.60	$5.60

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PRINCIPAL RATEPAYERS

For the years ended December 31 (unaudited)

	2017					
Ratepayer's Rate Class [1]	**Rank**	**Retail Sales[2]**	**Percentage of Total Retail Electric Sales**	**kWh**	**aMW**	**Percentage of Total kWh**
Large Irrigation Customer 1	1	$9,732,252	7.8%	180,482,756	20.6	10.1%
Large Irrigation Customer 2	2	3,731,647	3.0%	70,717,123	8.1	4.0%
Large Industrial Customer 1	3	3,444,412	2.7%	67,201,139	7.7	3.8%
Large Irrigation Customer 3	4	2,846,845	2.3%	52,824,219	6.0	3.0%
Large General Customer 1	5	1,954,000	1.6%	26,415,051	3.0	1.5%
Large Irrigation Customer 4	6	1,807,119	1.4%	34,130,517	3.9	1.9%
Large Irrigation Customer 5	7	1,677,641	1.3%	29,769,740	3.4	1.7%
Large General Customer 2	8	1,675,623	1.3%	23,269,949	2.7	1.3%
Large Irrigation Customer 6	9	1,239,792	1.0%	24,659,112	2.8	1.4%
Large General Customer 3	10	1,206,301	1.0%	18,353,632	2.1	1.0%
Large General Customer 4	-	-	-	-	-	-
		$29,315,632	23.4%	527,823,238	60.3	29.7%
Total All Ratepayers		**$125,488,602**		**1,785,098,170**		

(1) To preserve confidentiality, individual ratepayer names are not disclosed.
(2) Retail sales are before taxes, bad debt expense, and unbilled revenue.

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2008					
Rank	Retail Sales[2]	Percentage of Total Retail Electric Sales	kWh	aMW	Percentage of Total kWh
1	$3,997,083	4.6%	174,331,941	19.9	10.6%
2	2,438,223	2.8%	68,537,940	7.8	4.2%
3	1,662,045	1.9%	47,760,295	5.5	2.9%
4	1,261,923	1.5%	37,571,772	4.3	2.3%
9	1,154,866	1.3%	22,078,701	2.5	1.3%
6	1,128,540	1.3%	33,177,167	3.8	2.0%
5	1,159,535	1.3%	35,770,119	4.1	2.2%
10	1,324,158	1.5%	21,398,769	2.4	1.3%
8	815,106	0.9%	23,772,000	2.7	1.4%
-		-		-	-
7	1,057,009	1.2%	24,403,431	2.8	1.5%
	$15,998,488	18.3%	488,802,135	55.8	29.7%
	$86,236,604		**1,639,856,302**		

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RATIOS OF OUTSTANDING DEBT

For the years ended December 31 (unaudited)

	2017	2016	2015	2014 restated
Revenue Bonds	$56,905,000	$59,950,000	$49,735,000	$53,600,000
Unamortized Premium & Discount	4,336,311	4,845,315	3,099,629	3,572,728
Total Outstanding Revenue Debt	$61,241,311	$64,795,315	$52,834,629	$57,172,728
Total Revenue Debt to Operating Revenues	41%	46%	38%	39%
Total Revenue Debt to Total Assets	28%	30%	26%	27%
Total Revenue Debt per Ratepayer	$1,153	$1,255	$1,041	$1,142

DEBT MARGIN INFORMATION [1]

For the year ended December 31, 2017 (unaudited)

Net Revenues November 2017 - October 2017[2]	$22,378,187
Maximum Future Annual Debt Service (2020)	$6,523,987
Maximum Allowable Annual Debt Service per Bond Covenants [2]	$17,902,550
Allowable Additional Annual Debt Service	$11,378,563

(1) As a proprietary fund, the District does not have a legal debt limitation. However, the District's bond resolutions establish restrictions on the issuance of additional debt based on a defined formula.

(2) The bond covenants state that new parity bonds may be issued if the amount of net revenue for any twelve consecutive months in the prior 24 month period divided by the maximum annual debt service in any future year is not less than 125%.

(3) With implementation of GASB 65 in 2012, bond issuance costs are expensed in the year incurred. The District restated 2011 for comparative purposes to match the financial statements. In addition, prior to 2011, the unamortized loss on defeasance is included in Total Outstanding Revenue Debt.

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2013	2012	2011[3]	2010	2009	2008
$56,635,000	$59,575,000	$62,330,000	$59,165,000	$50,865,000	$53,395,000
4,072,098	4,597,935	5,134,338	452,684	597,829	663,277
$60,707,098	$64,172,935	$67,464,338	$59,617,684	$51,462,829	$54,058,277
44%	50%	50%	47%	39%	38%
29%	31%	34%	32%	29%	29%
$1,226	$1,317	$1,400	$1,252	$1,093	$1,160

DRAFT

DEBT SERVICE COVERAGE

For the years ended December 31 (unaudited)

	2017	2016	2015	2014 restated
DEBT SERVICE CALCULATION				
Change in Net Position	$8,119,171	($270,716)	($2,431,853)	$4,076,106
Adjustments to (from) Change in Net Position				
Depreciation	10,177,574	12,630,490	13,207,539	12,894,915
Prepaid Power [1]	1,017,144	1,017,144	1,017,144	1,017,144
Interest Expense	2,910,007	2,664,442	2,756,755	2,844,753
Debt Discount/Premium Amortization & Bond Issue Costs	(492,959)	(143,522)	(419,819)	(445,518)
GASB 68 Pension noncash entry	(593,733)	(308,366)	(157,447)	(245,062)
Transfer (to) from Rate Stabilization	-	-	-	-
REVENUE AVAILABLE FOR DEBT SERVICE	**$21,137,204**	**$15,589,472**	**$13,972,319**	**$20,142,338**
DEBT SERVICE [2]	**$6,226,648**	**$5,351,412**	**$4,767,944**	**$5,966,784**
DEBT SERVICE COVERAGE RATIO	**3.39**	**2.91**	**2.93**	**3.38**

(1) White Creek Wind Project amortization and Bonneville Power Administration prepaid power.
(2) Reduced by capitalized interest.

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2013	2012	2011	2010	2009	2008
$2,719,886	$6,754,715	$7,986,232	($889,251)	$11,811,897	$4,446,420
12,671,992	11,642,052	10,769,424	9,751,161	9,367,272	9,369,594
907,457	578,400	578,400	578,400	578,400	144,600
2,913,078	3,001,895	2,958,273	2,683,991	2,259,809	2,442,913
(459,652)	(459,198)	237,799	674,641	34,128	40,312
-	-	(2,369,920)	-	-	-
$18,752,761	**$21,517,864**	**$20,160,208**	**$12,798,942**	**$24,051,506**	**$16,443,839**
$5,965,509	**$5,969,064**	**$5,002,221**	**$5,445,961**	**$5,131,680**	**$5,130,080**
3.14	**3.60**	**4.03**	**2.35**	**4.69**	**3.21**

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PRINCIPAL EMPLOYERS - TRI-CITIES METROPOLITAN STATISTICAL AREA

For the years ended December 31 (unaudited)

		2017		
Employer	**Product/Service**	**Employees**	**Rank**	**Percentage of Total MSA Nonfarm Employment**
Battelle/Pacific NW National Laboratory	Research/National Laboratory	4,500	1	3.9%
Kadlec Medical Center	Health Care	3,532	2	3.1%
ConAgra/Lamb Weston Inc.	Food Processing	3,000	3	2.6%
Bechtel National, Inc.	Engineering & Construction	2,943	4	2.6%
Kennewick School District	Education	2,336	5	2.0%
Washington River Protection Solutions	Environmental Remediation	2,129	6	1.9%
Pasco School District	Education	2,015	7	1.8%
Mission Support Alliance, LLC	Support Services Hanford	1,902	8	1.7%
CH2MHill Hanford Group Inc./CHG	Environmental Engineering	1,682	9	1.5%
Richland School District	Education	1,500	10	1.3%
Wyckoff Farms	Agriculture	-	-	-
Fluor Hanford Inc./URS	Environmental Engineering	-	-	-
Tyson Fresh Meats/Iowa Beef	Meat Packing	-	-	-
Total		25,539		22.4%

Source: Tri-City Development Council

DRAFT

2008		
Employees	Rank	Percentage of Total MSA Nonfarm Employment
4,220	1	4.5%
1,422	10	1.5%
2,128	4	2.3%
2,800	2	3.0%
1,800	8	1.9%
-	-	-
2,002	5	2.1%
-	-	-
1,950	6	2.1%
-	-	-
2,500	3	2.7%
1,561	9	1.7%
1,800	7	1.9%
22,183		23.7%

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DEMOGRAPHIC STATISTICS

For the years ended December 31 (unaudited)

	2017	2016	2015	2014
Population [1]				
Tri-Cities Metropolitan Statistical Area	283,830	279,170	275,740	273,100
Benton County	193,500	190,500	188,590	186,500
City of Kennewick	80,280	79,120	78,290	77,700
Prosser	5,965	5,940	5,845	5,815
Benton City	3,360	3,325	3,285	3,255
Total Personal Income - Benton County [2]	N/A	$8,779,652	$8,324,360	$7,683,703
Per Capita Income - Benton County [2]	N/A	$45,329	$43,735	$41,186
Unemployment Rate - Benton County [3]	6.1%	7.0%	7.1%	7.7%
Building Permits Issued [4]				
Kennewick	2,064	2,211	2,005	2,054
Benton County (Unincorporated)	997	919	784	713
Taxable Retail Sales - All of Benton County [5]	N/A	$3,789,869,697	$3,612,773,217	$3,284,581,847

(1) Source: Washington State Office of Financial Management. 2010 was restated with census numbers.
(2) Source: U.S. Bureau of Economic Analysis. 2008-2015 revised estimates from BEA in 2017.
(3) Source: December 2016 Unemployment Rates, Washington Employment Security Department
(4) Source: City of Kennewick and Benton County Building Departments
(5) Source: Washington State Department of Revenue

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2013	2012	2011	2010	2009	2008
268,200	262,500	258,400	253,340	242,000	235,700
183,400	180,000	177,900	175,177	169,300	165,500
76,410	75,160	74,665	73,917	67,180	65,860
5,810	5,785	5,780	5,714	5,110	5,075
3,240	3,295	3,145	3,038	2,955	2,855
$7,430,711	$7,529,470	$7,577,726	$7,166,114	$6,590,197	$6,290,231
$40,270	$41,261	$41,978	$40,598	$38,512	$37,763
7.9%	9.0%	9.2%	7.1%	7.4%	6.5%
1,989	1,918	2,123	2,161	1,868	1,649
728	588	711	753	674	562
$3,189,855,069	$2,937,655,298	$2,959,959,724	$2,731,890,939	$2,623,845,560	$2,601,911,391

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OPERATING INDICATORS

For the years ended December 31 (unaudited)

	2017	2016	2015	2014 restated
Operating Expenses / Revenues	95.1%	99.7%	102.4%	98.7%
Total Electric Sales in MWh				
Retail Sales	1,785,098	1,694,078	1,738,022	1,781,322
Sales for Resale	609,721	576,289	662,886	717,847
Total MWh Sales	2,394,819	2,270,367	2,400,908	2,499,169
Average Annual kWh per Customer				
Residential	17,316	15,333	15,692	16,687
General Service	92,226	90,004	92,432	94,455
Industrial	13,416,822	12,922,400	22,313,962	23,956,495
Irrigation	411,150	550,578	589,675	599,801
Miscellaneous	2,872	3,749	3,826	3,760
Average Annual kWh per Customer - All Classes	33,611	32,804	34,239	35,589
Average Revenue per Customer				
Residential	$1,433	$1,243	$1,213	$1,266
General Service	6,199	5,860	5,875	5,995
Industrial	687,927	642,800	1,016,944	1,083,292
Irrigation	22,112	28,274	28,065	28,926
Miscellaneous	289	355	332	331
Average Revenue per Customer - All Classes	$2,363	$2,209	$2,188	$2,265
Additions to Electric Plant, excluding work-in-progress	$14,248,028	$12,707,389	$10,795,807	$14,325,929
Net Electric Utility Plant	$125,666,747	$123,470,148	$120,791,227	$122,400,363
Capitalized Payroll	$2,435,631	$3,213,042	$2,201,618	$2,289,991
Total Payroll Expense	$13,864,893	$13,630,457	$12,967,615	$12,674,072
Full Time Equivalent Employees [1]	152	153	152	152
Cooling Degree Days [2]	1,347	1,099	1,534	1,426
Heating Degree Days [2]	5,618	4,392	4,228	4,611
Annual Precipitation (inches) [2]	8.60	7.66	6.48	6.53
Peak Load (MW's) [3]	426	425	429	431

(1) Includes regular and temporary employees. In 2017, all years employee counts were reduced to account for shared employees billed to other governments.

(2) Source: Hanford Meteorological Station
Heating degree days are indicators of household energy consumption for space heating. When the average outdoor temperature is less than 65 degrees Fahrenheit, most buildings require heat to maintain a temperature of 70 degrees inside. Similarily, when the average outdoor temperature is 65 degrees or more, most buildings require air-conditioning to maintain a temperature of 70 degrees inside.

(3) Source: The Energy Authority, Inc.

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2013	2012	2011	2010	2009	2008
98.5%	95.2%	93.1%	99.3%	91.8%	97.0%
1,696,774	1,645,277	1,648,362	1,592,802	1,726,341	1,639,856
580,417	687,098	929,688	693,299	667,758	818,485
2,277,191	2,332,375	2,578,050	2,286,101	2,394,099	2,458,341
16,889	16,435	17,113	16,498	18,402	17,151
93,233	93,253	92,874	93,920	100,256	98,256
23,267,593	23,525,055	21,803,603	18,454,887	12,969,692	15,920,098
521,528	535,005	529,085	504,513	572,747	553,576
3,764	4,423	5,150	4,528	4,509	4,466
34,264	33,777	34,201	33,451	36,673	35,190
$1,281	$1,247	$1,225	$1,101	$1,114	$1,058
5,915	5,895	5,509	5,148	4,841	4,767
1,058,609	1,074,442	926,683	722,372	494,424	554,015
25,428	26,098	24,380	21,253	21,836	18,934
336	446	427	415	403	380
$2,207	$2,175	$2,081	$1,887	$1,865	$1,763
$14,261,262	$11,658,180	$16,575,853	$17,203,386	$10,736,615	$10,358,753
$123,009,752	$122,002,258	$121,789,048	$120,302,889	$115,807,257	$110,029,356
$2,344,440	$2,550,126	$2,858,449	$2,677,911	$2,363,236	$2,008,050
$12,573,298	$12,401,390	$11,637,285	$11,672,710	$11,585,291	$11,041,774
153	150	152	154	158	155
1,318	1,057	884	870	1,235	991
5,320	4,940	5,466	4,896	5,679	5,581
5.38	8.18	4.45	10.19	5.47	5.49
415	394	380	392	402	397

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BENTON P·U·D

	Business Agenda
	Second Reading
	Consent Agenda
	Info Only/Possible Action
✓	*Info Only*

COMMISSION MEETING AGENDA ITEM

Subject:	Performance Measurement – 4th Quarter 2017 Report	
Agenda Item No:	7L	
Meeting Date:	March 13, 2018	
Presented by:	Jon Meyer/Kent Zirker	*Staff Presenting Item*
Approved by (dept):	Jon Meyer JM	*Director/Manager*
Approved for Commission review:	Chad B. Bartram	*General Manager/Asst GM*

Motion for Commission Consideration

None.

Recommendation/Background

Performance measurement is a process that assesses the effectiveness of organizations or work groups in achieving their mission and objectives. The District has developed 24 performance measures aligned with the District's strategic anchors. The District's performance measurement program focuses on high-level measures that provide information to staff, the Commission, and the public as to the performance of the District in key areas. The report is available on the District's website, consistent with our objective to openly provide information to our stakeholders allowing them to measure the effectiveness of our performance.

During the 4th quarter, 16 of the 24 performance measures were rated as having positive quarterly performance, one was yellow, two were red, and five were blue/under construction. There are four measures under construction, three continue to be evaluated due to the implementation of a new customer information system (NISC) and the other is being restructured. They are targeted to return in 2018. Staff will highlight the following measures during the Commission meeting:

- *Telephone Service Level*
- *Back Bill Rate*
- *Hiring Efficiency*
- *Enterprise Application Reliability*
- *Infrastructure Component Reliability*

Summary

Staff will review the Performance Measurement Report for the 4th quarter of 2017 during the Commission meeting. The presentation will provide a review of actual vs. target performance for select indicators.

Fiscal Impact

None.

2017 PERFORMANCE MEASURES

Benton PUD Strategic Anchors
Customer Value, Stewardship, Reliability, Safety, Skilled Workforce

Q1 Q2 Q3 Q4 — Customer Satisfaction
Karen Miller
Page 2

Q1 Q2 Q3 Q4 — Telephone Service Level
Paula Ball
Page 3

Q1 Q2 Q3 Q4 — Electronic Payments
Christie McAloon
Page 4

UNDER CONSTRUCTION — Service Order Process
Mike Irving
Page 5
Target 2018

Q1 Q2 Q3 Q4 — Rates
Kevin White
Page 6

Q1 Q2 Q3 Q4 — Back Bill Rate
Christie McAloon
Page 7

Q1 Q2 Q3 Q4 — Unrestricted Reserve Level
Kevin White
Page 8

Q1 Q2 Q3 Q4 — Days Cash On Hand
Kevin White
Page 9

Q1 Q2 Q3 Q4 — Costs per kWh v. COSA
Kevin White
Page 10

Q1 Q2 Q3 Q4 — O&M/Capital
Kent Zirker
Page 11

Q1 Q2 Q3 Q4 — O&M Costs per Customer
Kent Zirker
Page 12

Q1 Q2 Q3 Q4 — Collections
Paula Ball
Page 13

Q1 Q2 Q3 Q4 — Safety
Steve Hunter
Page 14

Q1 Q2 Q3 Q4 — Training and Development
Melina Wenner
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Q1 Q2 Q3 Q4 — Hiring Efficiency
Melina Wenner
Page 16

Q1 Q2 Q3 Q4 — Day Ahead Power Price vs. ICE
Chris Johnson
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UNDER CONSTRUCTION — Surplus Sales Revenue
Chris Johnson
Page 18
Target 2018

Q1 Q2 Q3 Q4 — Conservation I-937
Chris Johnson
Page 19

Q1 Q2 Q3 Q4 — Broadband Network Reliability
Rick Dunn
Page 20

Q1 Q2 Q3 Q4 — Energy Loss Percentage
Evan Edwards
Page 21

UNDER CONSTRUCTION — Electric Reliability
Evan Edwards
Page 22
Target 2018

UNDER CONSTRUCTION — Electric System Outages
Evan Edwards
Page 23
Target 2018

Q1 Q2 Q3 Q4 — Enterprise Application Reliability
Chris Folta
Page 24

Q1 Q2 Q3 Q4 — Infrastructure Component Reliability
Chris Folta
Page 25

Legend

The color assigned for each measure is a subjective evaluation of both the quarterly results, shown in the quarterly squares as well as the outlook for the calendar year compared to established targets, shown in the large box. The legend below provides general guidance for assigning colors.

- Positive performance - positive year-end outlook and exceeding quarterly expectation
- Improvement needed - concern about year-end outlook and less than quarterly expectation
- Adverse performance - negative year-end outlook and negative quarterly performance
- Data not available or no activity during the quarter

Q1 Q2 Q3 Q4
Indicator Title
Outlook

Performance Measure Title

Customer Satisfaction

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Definition

Track overall customer satisfaction and assess interaction with and use of services provided by Benton PUD.

How Performance Measure is Computed

Surveys can be conducted via bill inserts or phone interviews. For bill inserts questions are answered on a 7 point scale. The % measurement is the % of respondents who were satisfied overall (response of 5 or above). For a phone survey, overall satisfaction is measured on a 5 point scale. The % measurement is the % of respondents who were satisfied overall (response of 4 or above).

Goal

Green - 70% and above, Yellow - 55% to 70%, Red - Below 55%. Based on overall satisfaction and satisfaction with services.

Goal		Actual		Survey Type
Q1	70 %	Q1	88.0 %	Phone
Q2	70 %	Q2	NA %	
Q3	70 %	Q3	NA %	
Q4	70 %	Q4	NA %	

Quarterly Performance Summary

No customer satisfaction survey was conducted this quarter.

Responsible Manager: Karen Miller

Data Provider: Jodi Henderson

Report Date: 1/10/2018

BENTON P.U.D

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title
Telephone Service Level (Customer Service Queue)

Definition
Measures service level in the customer service queue, achieving a minimum of 70% of all calls answered within 30 seconds or less and 90% of calls answered in 120 seconds or less. This measure captures the timeliness of answering calls routed to the customer service queue, and the effectiveness of the department staff in terms of managing and monitoring the call queue.

During Q1 and Q2 of 2017, the performance measure was suspended while the new Customer Information System (CIS) was implemented in March. With implementation of the new CIS came SmartHub, the customer facing application that met the objectives of the District's strategic customer engagement plan. It was known, however, that the new CIS would have a significant impact on business processes and would involve a learning curve for customer service staff. It was also expected that call volumes would increase. In anticipation of this, the decision was made to suspend the performance measure, realizing that telephone service levels would be impacted for a period of time but would return to more typical levels. Reporting has now resumed in Q3 as this return to more normal call volumes and speed of answer has occurred.

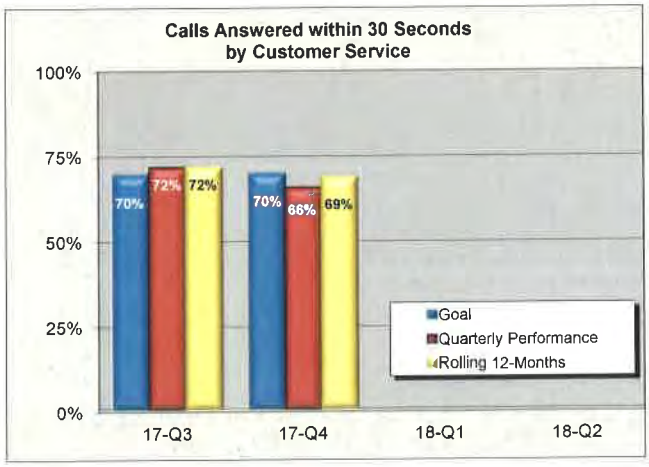
How Performance Measure is Computed
Service level reporting capabilities are provided by the Cisco phone system. The system measures the speed of answering all incoming customer service calls and maintains that data in a log that can be queried via the Cisco reporting application. The percentage of incoming calls that are answered within 30 seconds and 120 seconds will be displayed for each quarter, and the rating will be based on the quarterly results. The 12 month rolling average will be provided to reflect historical perspective. Note: The 12-month rolling measurement period is re-starting effective with Q3 of 2017, following the two-quarter suspension of this performance measure during implementation of the new CIS system.

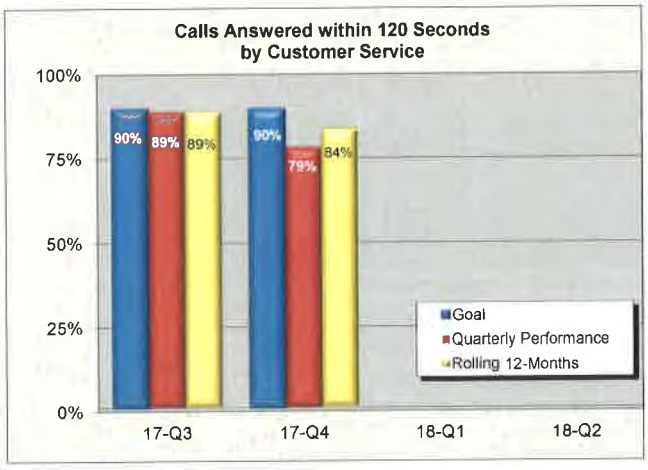
Goal
Answering at least 70% of incoming calls within 30 seconds or less and 90% of calls within 120 seconds or less, based on a rolling 12-month period. A green rating will be achieved if both goals are met, a yellow rating if one goal is met and a red rating if neither goal is met on a rolling 12-month service level period.

Rating
Both goals met
One goal met
Neither goal met

		Calls Answered Within 30 Seconds			Calls Answered Within 120 Seconds		
	Number of Calls	Goal	Quarterly Performance	Rolling Performance	Goal	Quarterly Performance	Rolling Performance
17-Q3	23,852	70%	72%	72%	90%	89%	89%
17-Q4	21,734	70%	66%	69%	90%	79%	84%
18-Q1							
18-Q2							

Quarterly Performance Summary
This performance measure received a red rating, as the 30 second goal was 66% for the quarter, and the 120 second metric was also below target at 79%. Several factors contributed to the decrease in service levels: a call center CSR was on leave intermittently during the quarter; cross training activities in billing occurred in October and November; a new on-call employee was trained in October and subsequently left employment after several weeks, then a second on-call employee was hired which required more training time; and an increase in door tagging during cold temperatures - performed by a CSR - occurred during November and December. Average telephone transaction time also increased slightly during the quarter, at 3:07 per call. Still, over 14,000 calls were handled within the 30 second service level, and average wait time for all calls was just over 1 minute. January, 2018 results already show improvement, at 71%.
Note: These results are for Q4 only and do not reflect a 12-month rolling average. This is due to the suspension of this Performance Measure during the CIS implementation and the re-start of the 12-month rolling performance in Q3 of 2017.





Responsible Manager: Paula Ball

Data Provider: Lurii Blackwell

Report Date: 2/2/2018

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title
Electronic Payments

Definition
Measures the percentage of total payments made to the District using electronic payment channels such as the SmartHub website and mobile application, IVR (Integrated Voice Recognition telephone payment system), Pay Now (one time payment website), Autopay or a customers' bank bill pay website. Increasing the number of electronic payments can lower costs by reducing the manual processes required to post payments and reduce errors associated with manual processes. Providing multiple electronic payment channels can lead to increased customer satisfaction and further the Districts efforts in customer engagement.

How Performance Measure is Computed
The number of payments processed through Auto Pay, SmartHub website and Mobile Application, IVR system, Pay Now and bank websites will be compared to the total number of District payments processed during the quarter. A green rating will be assigned if 48% or more of total payments are made by electronic methods during the quarter; yellow rating for 45-47%, and red rating if the number of electronic payments is less than 45% of total payments during the quarter. This rating criteria may be refined as more history is developed and penetration levels are identified from similar utilities.

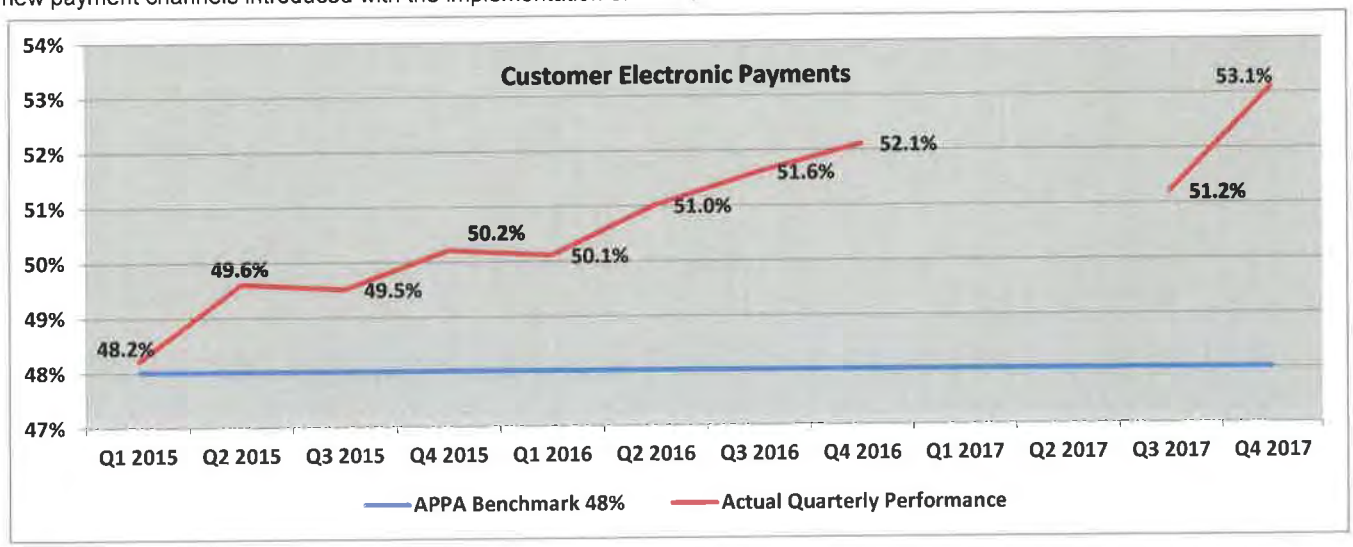
Rating
48%+
45-47%
<45%

Goal
Minimum of 45% of total payments will be made by electronic methods.

Type of Payments	Total Payments	Electronic Payments	Percentage Electronic
Q3	148,198	75,937	51.2%
Q4	152,058	80,710	53.1%
Q1			
Q2			

Electronic Payments	Auto Pay	Smart Hub Website - Enrolled	Smart Hub Mobile App	Telephone System - IVR	Pay Now One Time Website Payment	Bank Website Payment
Q3	25,635	16,856	5,977	4,166	7,983	15,320
Q4	28,879	17,000	6,933	4,346	8,367	15,185
Q1						
Q2						

Quarterly Performance Summary
Electronic payments increased by 1.9% in to Q4. The percentage of payments made by electronic methods through Autopay, the SmartHub website, SmartHub mobile App, telephone IVR, Pay Now and Bank website was 53.1%. All payment channels experienced increased usage during the quarter. Autopay increased by more than 3,200 payments and the SmartHub Mobile App experienced an increase in usage with 956 more payments processed in Q4 than in Q3. WIth increases across the board, our customers are adopting the new payment channels introduced with the implementation of NISC.



Responsible Manager: Christie McAloon

Data Provider: Christie McAloon Report Date: 1/29/2018

Performance Measure Title

Service Order Time Tracking

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

This performance measure is currently unavailable. Due to the implementation of a new customer information system (NISC) this measure is being evaluated and is targeted to return 2018.

Performance Measure Title
Rate Comparisons

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Definition
This indicator compares an average monthly bill for the District's current rates for Residential and Large General Service (LGS) to other utilities in the Northwest. A benchmarking base amount of 1,350 kWh is used for Residential customers. LGS customers energy use is 115,000 kWh and demand of 300kW.

How Performance Measure is Computed
Gather current rates from 16 utilities throughout the Northwest and graph Benton PUD in relation to these utilities. Utilities selected for comparisons must purchase 60% or more of their power from BPA.

Goal
Performance will be measured based on a quarterly rate comparison. A green rating will be assigned if the District's average monthly bill is below the median monthly bill, a yellow rating will be assigned if the District's average monthly bill is in the quartile above the median, and a red rating will be assigned if the District's average monthly bill is in the highest quartile.

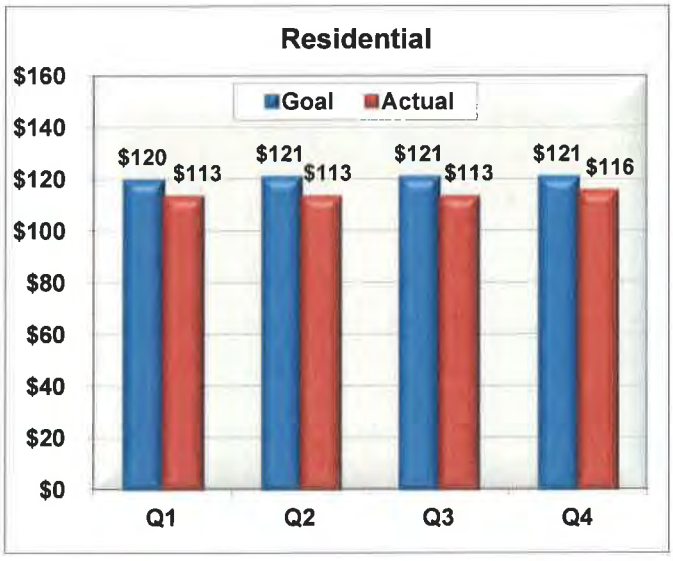
Residential Average Monthly Bill

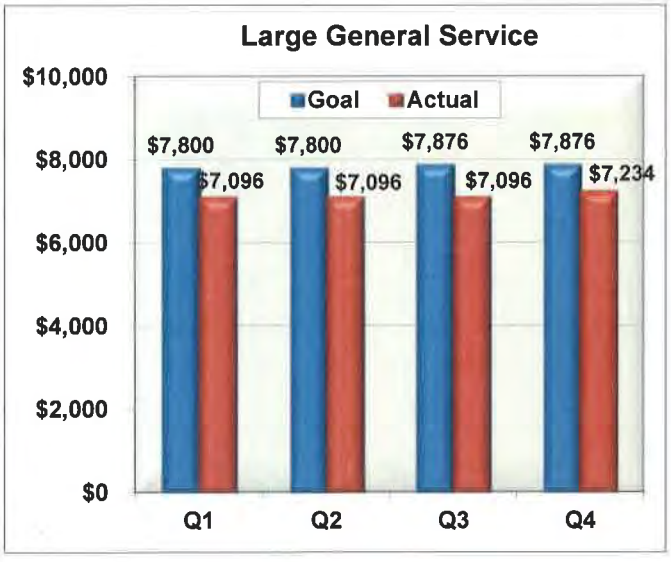
	Goal	Actual
Q1	< $120	$113
Q2	< $121	$113
Q3	< $121	$113
Q4	< $121	$116

Large General Service Average Monthly Bill

	Goal	Actual
Q1	< $7,800	$7,096
Q2	< $7,800	$7,096
Q3	< $7,876	$7,096
Q4	< $7,876	$7,234

Quarterly Performance Summary
During Q4 2017, the District's rates were below the median of comparable utilities, so a green rating was assigned to residential and large general service. Of the 16 benchmark utilities, seven of the benchmark utilities including Benton PUD had rate actions in Q4 2017 (City of Richland, Cowlitz PUD, Eugene Water Electric, Okanogan PUD, Snohomish PUD, and Umatilla Electric Coop.).





Responsible Manager: Kevin White

Data Provider: Katie Homer

Report Date: 1/22/2018

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title

Back Bills and Billing Corrections due to District Errors

Definition

Back bills and bill corrections can have a significant impact on customers and on District staff. While some back bills are due to customer error (signing up for service at the wrong apartment or mislabeled meter bases), other back bills are preventable. Some examples of avoidable back bills include equipment failure that is overlooked for a period of time and results in a back bill of more than one month, or not transferring a low income discount when a customer moves. Only preventable back bills due to staff error, or those that were caused by equipment failure not detected in a timely manner, will be counted in this performance measure. When a significant back bill occurs, the rating could be assigned a yellow or red rating depending on the severity of the back bill. This rating would be assigned regardless of the number of back bills during the period.

How Performance Measure is Computed

On a quarterly basis, the number of back bills caused by the following reasons will be reported: defective meter, incorrect multiplier, service orders not processed in a timely manner, data entry error in CIS, missing low income discount, incorrect bill cycle, switched meters and data entry errors. Back bills are processed by the Billing Specialist and will be tracked in a spreadsheet that captures the number of back bills falling into these categories, and the nature of the back bill (i.e. customer error or District error). Each customer affected by a backbill will be counted as "1". For example, all customers affected by a District-caused meter switch will be counted.

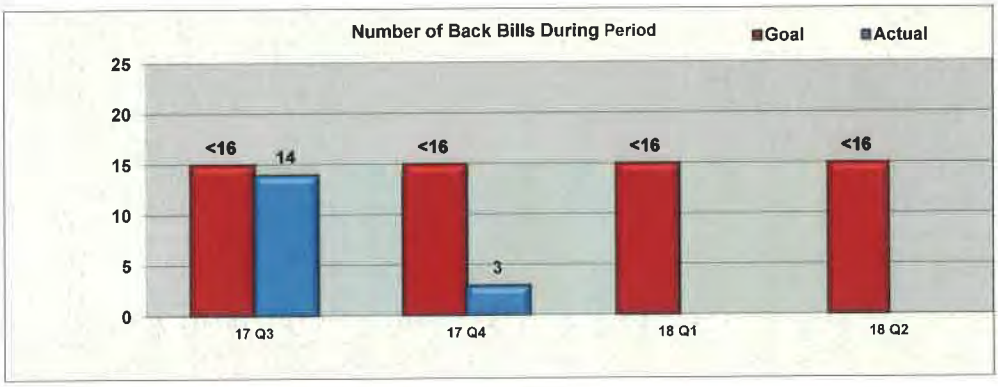
Goal

Less than 16
Between 16 - 24
Greater than 24

		Number of Back Bills	
	Number of Bills Issued	Goal	Actual
2017 Q3	131,712	<16	14
2017 Q4	130,151	<16	3
2018 Q1		<16	
2018 Q2		<16	

Quarterly Performance Summary

Three preventable back bills occurred during Q4 2017. The following is a recap of each occurence: 1) A Service Order was sent to the field to connect one meter, for a customer. When staff reached the location, a request was made by the customer to connect a second meter. Field staff connected the second meter, but did not communicate that information back to the office. The second meter began to use electricity several months later and was detected during the billing process on the vacant consumption report. The account was back billed for the consumption used. 2) It was found that an account for a school crossing flasher had been closed in error in 2012 during a school remodeling project. The account was reactivated and back billed for six months. 3) A customer was signed up for a security light in error in October. The error was found when the customer called to ask why she was being billed for a security light. The error was corrected and the charge removed from her bill. The correct customer was charged for the security light for the two month period.



Responsible Manager: Christie McAloon

Data Provider: Christie McAloon

Report Date: 1/29/2018

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title
Unrestricted Reserve Level

Definition
Total Unrestricted Reserves include Minimum Operating Reserves and Designated Reserves, such as the Rate Stabilization Account, Power Market Volatility Account, Customer Deposits Account, Special Capital Account, and Bond Insurance Replacement Account, as defined in the District's Financial Policies adopted by Resolution No. 2313 and reported in the monthly financial statements. Beginning in 2015, Minimum Operating Reserves are defined as 90 days cash on hand.

How Performance Measure is Computed
Compare approved annual budget Total Unrestricted Reserve balances as projected at quarter-end to the Minimum Operating Reserve balances projected for year-end.

Goal
Maintain Total Unrestricted Reserves above the minimum level as defined by the District's Financial Policies. A green rating will be assigned if Total Unrestricted Reserves are above 120% of the minimum level. A yellow rating will be assigned if Total Unrestricted Reserves are between 120% and 100% of the minimum level and below the Budget planned cash levels without the expectation of recovery by year-end. A red rating will be assigned if Total Unrestricted Reserves are below the minimum level or expected to fall below the minimum level without the expectation of recovery by year-end or if any borrowings of cash are utilized to cover operating expenses.

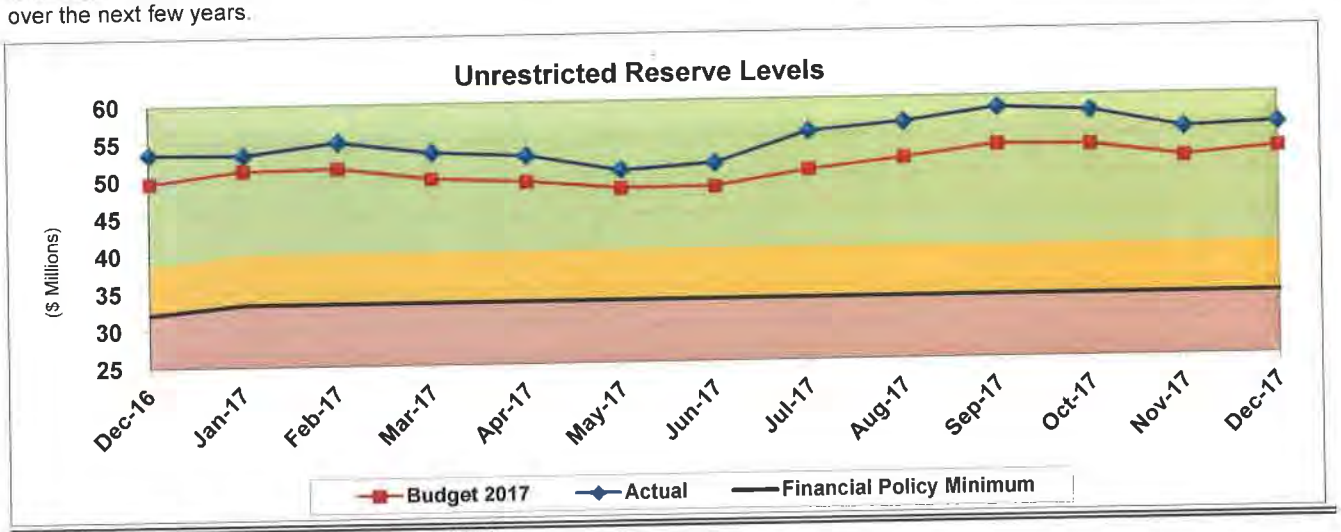
$ Millions	Minimum	Budget	Actual
Q1	$33.362	$49.896	$53.414
Q2	$33.362	$48.349	$51.464
Q3	$33.362	$53.415	$58.380
Q4	$33.362	$52.673	$55.962

Year-end Forecast

Date	Nov. 2017
Revenue Increase	1.9%
Effective Date	Oct. 1, 2017
Year-end Reserves[(1)]	$54.261

(1) Projected $1.5 million of capital project carryover from 2017 to 2018

Quarterly Performance Summary
Unrestricted reserves were $3.3 million higher than the 2017 Amended Budget at the end of Q4 and $1.7 million higher than the November forecast, primarily due to timing of capital expenditures. Unrestricted reserves decreased by $2.4 million in Q4 due to the shoulder months having lower retail revenues, increased net power costs for the Bonneville Power Administration increase effective October 1, 2017, and planned capital expenditures. In 2018, the District anticipates a $9.3 million drawdown of reserves, utilizing designated funds set aside from the 2016 bond issue to fund significant transmission and substation projects over the next few years.



Responsible Manager: Kevin White

Data Provider: Katie Homer

Report Date: 1/16/2018

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title

Days Cash on Hand

Definition

Days Cash on Hand measures the number of days an enterprise can cover its operating expenses using unrestricted cash and investments and assuming no additional revenue is collected. Total Unrestricted Reserves include Minimum Operating Reserves and Designated Reserves, such as the Power Market Volatility Account, Customer Deposits Account, Special Capital Account, and Bond Insurance Replacement Account. This ratio is useful for measuring the relative strength of a utility's financial liquidity. It must be evaluated in conjunction with identified immediate risks to cash flow and compared to the number of days it takes for the utility to raise its rates and begin to receive additional revenues.

How Performance Measure is Computed

Days Cash on Hand is computed by multiplying the total unrestricted cash and investments by 365 and then dividing that result by the total operating expenses (excluding depreciation and amortization) on a rolling 12-month basis.

Goal

The District's current Financial Policies establish a Minimum Operating Reserve of 90 Days Cash on Hand and require financial plans to maintain Days Cash on Hand to achieve or maintain the Targeted Bond Rating (median of public power utilities). Targeted Days Cash on Hand shall consider relevant and recent benchmark data published by rating agencies for similar rated utilities. Moody's published Days Cash on Hand ratio medians for distribution system utility in June 2014 and the range was 117 to 126. The Fitch Ratings "U.S. Public Power Peer Study" issued in June 2016 calculates a median of 140 days cash on hand for A+ rated retail utilities. Staff's recommended Targeted Days Cash on Hand is 120 days +/-10%. This measure will be rated "green" if the Days Cash on Hand is at or above the bottom of the recommended range (108 days), "yellow" if the Days Cash on Hand is between the Minimum Operating Reserve (90 days) and the bottom of the recommended range, and "red" if the Days Cash on Hand is lower than the Minimum Operating Reserve.

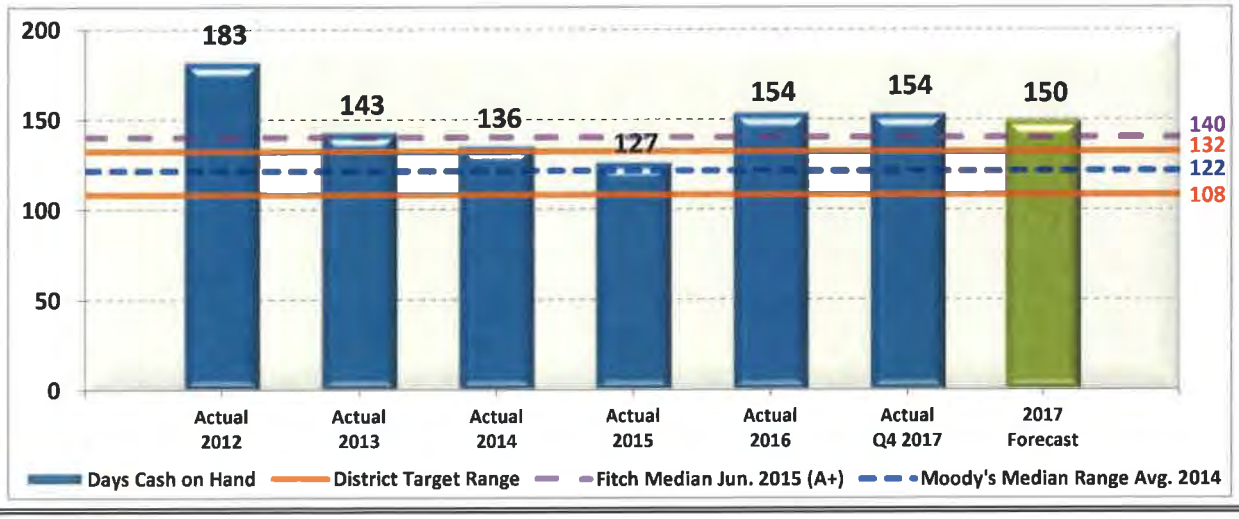
	Medians			
	Moody's (A/Aa Avg)	Fitch (A+)	District Target	Actual
Q1	122	140	108 to 132	152
Q2	122	140	108 to 132	148
Q3	122	140	108 to 132	164
Q4	122	140	108 to 132	154

Designated Reserves - Year-end Forecast	
Description	DCOH
Minimum Operating Reserves	90
Bond Insurance Replacement	7
Power Market Volatility	11
Special Capital	37
Customer Deposits	5
Nov. 2017 Year-end Forecast	**150**

Quarterly Performance Summary

The numbers included in this calculation are based on preliminary financial data.

The District had 154 Days Cash on Hand (DCOH) at the end of Q4 2017 resulting in a green rating. Unrestricted reserves decreased by $2.4 million, or 10 DCOH, from Q4 primarily due to decreased retail revenues during the shoulder months and under runs in capital spending due to timing of projects. The 12-month rolling average operating expenses were 1.9% higher than Q3 2017 primarily due to increased net power costs for the Bonneville Power Administration increase effective October 1, 2017. In 2018, the District is projecting a decrease of 20 DCOH, utilizing funds in the Special Capital Account that were set aside from the 2016 bond issue to fund significant transmission and substation projects over the next few years.



Responsible Manager: Kevin White

Data Provider: Michelle Swanson

Report Date: 2/1/2018

BENTON P.U.D

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title

Actual Costs per kWh and COSA Comparison

Definition

The Net Power Costs per kWh and COSA Comparison is a comparison of the actual Net Power Cost per kWh and the Net Power Cost per kWh as used in the COSA model. The Other Costs per kWh and COSA Comparison is a comparison of other costs and revenues per kWh and other costs and revenues per kWh as used in the COSA model. The COSA used in the calculation is the model that current rates are developed from. Components of other costs include operation and maintenance expenses, taxes (excluding municipal occupation taxes), net capital, debt service, broadband and miscellaneous revenues, and exclude depreciation. These comparisons serve as validation of the assumptions used in the COSA model which contributes to more accurate rate projections.

How Performance Measure is Computed

The Net Power Cost per kWh and COSA Comparison is computed by taking the 12-month rolling net power cost and dividing by the 12-month rolling billed retail kWh as reported in the District's financial statements. The Other Costs per kWh and COSA Comparison is computed by taking the 12-month rolling other costs and dividing by the 12-month rolling billed retail KWh as reported by District financial statements. In addition, actual year-to-date calculations are provided for both comparisons.

Goal

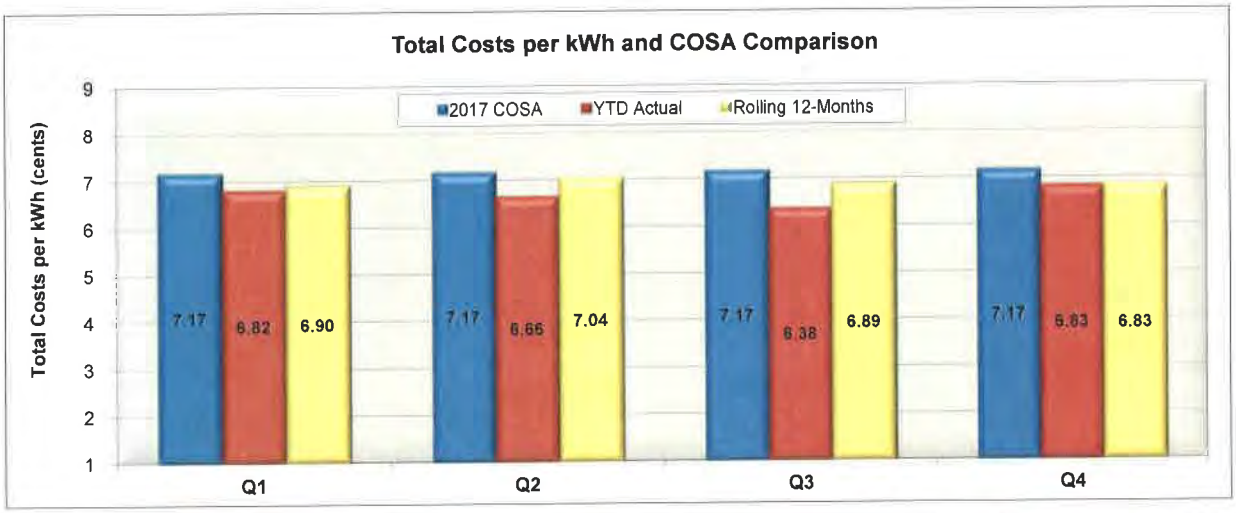
For a green rating, total costs per kWh on a rolling 12-month basis should be no higher than 5% of the COSA model. A yellow rating would be assigned if total cost variances were between 6% - 10% or a concerning trend is identified; and a red rating would be assigned if total cost variances were in excess of 10% from the COSA model or a significant concerning trend is identified.

	Net Power Costs per kWh (cents)				Other Costs per kWh (cents)				Total Costs per kWh (cents)			
	2017 COSA	Rolling 12 Months	YTD Actual	Rolling 12-Months to COSA	2017 COSA	Rolling 12 Months	YTD Actual	Rolling 12-Months to COSA	2017 COSA	Rolling 12 Months	YTD Actual	Rolling 12-Months to COSA
Q1	4.569	4.410	4.370	-3.5%	2.599	2.494	2.447	-4.0%	7.168	6.904	6.817	-3.7%
Q2	4.569	4.477	4.304	-2.0%	2.599	2.561	2.354	-1.5%	7.168	7.038	6.659	-1.8%
Q3	4.569	4.432	4.239	-3.0%	2.599	2.463	2.137	-5.2%	7.168	6.894	6.376	-3.8%
Q4	4.569	4.488	4.488	-1.8%	2.599	2.346	2.346	-9.8%	7.168	6.833	6.833	-4.7%

2017 COSA Net Power Cost	$79,779,129	2017 COSA Total Costs	$125,157,090
2017 COSA Other Costs	$45,377,961	2017 COSA Retail kWh	1,746,052,435

Quarterly Performance Summary

The numbers included in this calculation are based on preliminary financial data. This measure compares costs per kWh to the 2017 COSA. At the end of Q4, the rolling 12-month total costs of 6.833 cents per kWh are 4.7% less than the COSA model. The rolling 12-month net power costs of 4.488 cents per kWh are 1.8% less than the COSA model. The rolling 12-month cost per kWh is lower primarily because the rolling 12-month kWh sales (denominator) was above COSA levels with increased sales from the cold winter months and warm summer months. The rolling 12-month other costs of 2.346 cents per kWh are 9.8% less than the COSA model. The rolling 12-month cost per kWh is lower because other costs (numerator) include under runs in capital expenditures and the retail kWh billed (denominator) are above COSA levels with increase sales from the cold winter months and warm summer months. This measure is rated "green" at 4.7% below the COSA model.



Responsible Manager: Kevin White

Data Provider: Briana Herrington

Report Date: 2/1/2018

Performance Measure Title

O&M / Net Capital

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Definition

This indicator measures the District's actual O&M expenses vs. budget and the actual net capital expenditures vs. budget on a year-to-date basis. O&M expenses include transmission, distribution, broadband and all District internal costs and exclude power supply costs, taxes, depreciation, interest expense and other non-operating expenses. O&M and capital expenditures are a subset of all expenditures incurred by the District. While all costs are controllable by the District in the long-term, management has more direct control of these costs over the short-term and may more immediately impact District financial results through decisions in these areas.

How Performance Measure is Computed

The official budget that is approved by the Commission for the calendar year will represent the standard against which actual results are measured. The original budget may be amended by the Commission during August of each year. Year-to-date O&M expenses and net capital expenditures will be compared to budget at the end of each quarter.

Goal

Meet the year-to-date budget projections.

in millions

O & M

	YTD Original Budget	YTD Amended Budget	YTD Actual	% of Total Budget
Q1	$5.386	$5.386	$5.307	24%
Q2	$10.975	$10.975	$10.956	50%
Q3	$16.347	$16.275	$16.526	75%
Q4*	$21.950	$22.091	$21.714	98%

** % of total amended budget*

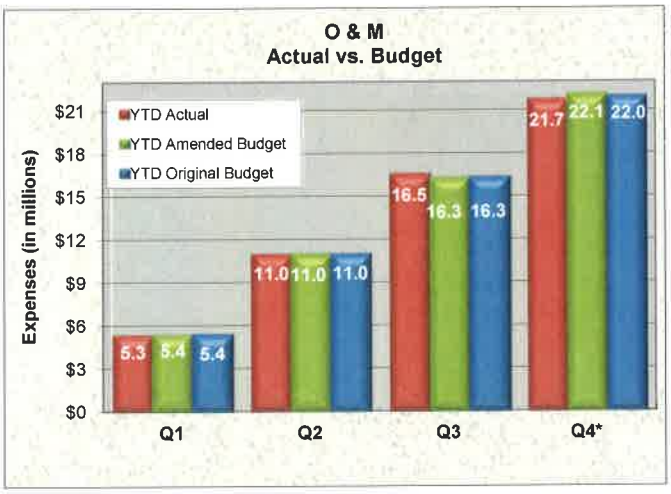
Net Capital

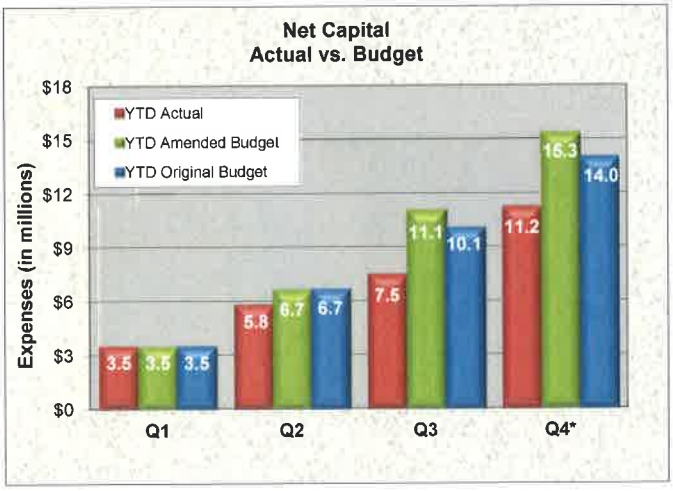
	YTD Original Budget	YTD Amended Budget	YTD Actual	% of Total Budget
Q1	$3.495	$3.495	$3.450	25%
Q2	$6.676	$6.676	$5.789	41%
Q3	$10.081	$11.060	$7.466	53%
Q4*	$13.984	$15.334	$11.234	73%

** % of total amended budget*

Quarterly Performance Summary

The numbers included in this calculation are based on premliniary financial data. O&M expenses of $22.3 million through the fourth quarter of 2017 are 0.9% above the amended budget primarily due to increased labor and benefits to O&M verses capital. Preliminary net capital expenditures of $11.2 million through the fourth quarter are below the YTD budget by about $4.1 million (27%), primarily due to less labor charged to capital projects, underruns in transformers, substation equipment, transmission, and cable replacement. As a result, this measure is rated green for the fourth quarter.





Responsible Manager: Kent Zirker
Data Provider: Michelle Swanson

Report Date: 2/1/2018

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title
O&M Costs per Customer

Definition
This performance measure will track the District's non-power operating and maintenance (O&M) costs per customer, excluding broadband and reimbursable mutual aid costs and including bad debt expense. O&M expenses are a subset of all expenditures incurred by the District. While all costs are controllable by the District in the long-term, management has more direct control of O&M costs over the short-term and may more immediately impact District financial results through decisions in these areas.

How Performance Measure is Computed
Actual O&M expenses, excluding broadband and reimbursable mutual aid costs and including bad debt expense, as reported in the financial statements will be divided by the average number of active service agreements on a rolling 12-month basis. Results at the end of each quarter will be compared to the 2017 target of $411 per customer. The 2017 target was developed from the 2017 budget of $407 per customer incremented by $200,000 or $4 per customer to allow for variations in the level of internal labor charged to capital projects v. expense. A rating of green will be assigned if the O&M costs per customer are within 2% of the target; a rating of yellow will be assigned if the O&M costs per customer are more than 2% but less than 3% higher than the target; a rating of red will be assigned if the O&M costs per customer are more than 3% higher than the target.

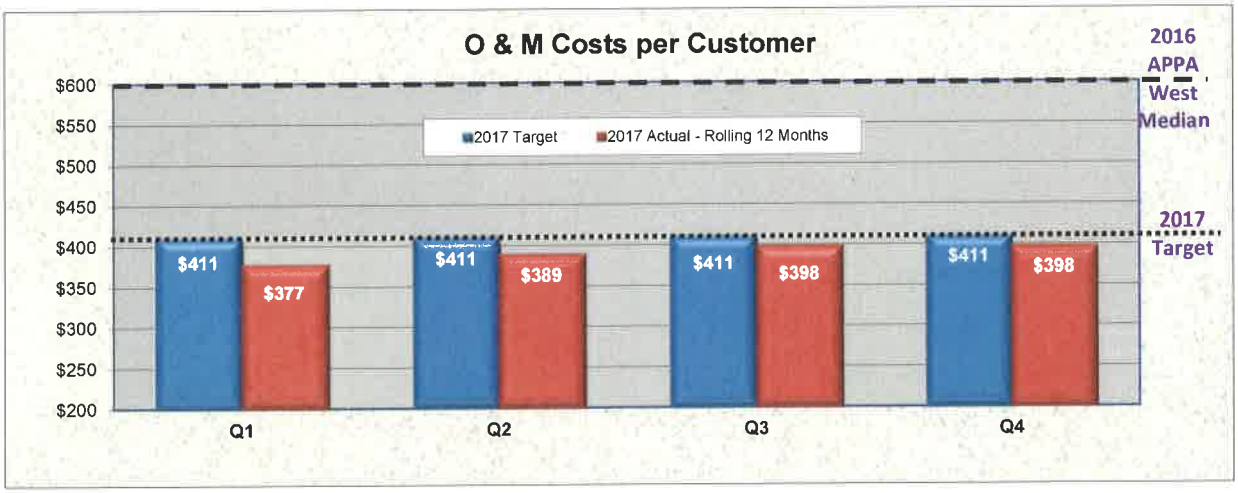
Goal
Maintain or decrease the O&M costs per customer as compared to the 2017 target of $411 per customer.

	O & M	
	2017 Target	2017 Actual
Q1	$411	$377
Q2	$411	$389
Q3	$411	$398
Q4	$411	$398

Information Only	Stated Year Dollars	2017[1] Dollars
Benton PUD - CY 2015 Actual*	$397	$421
Benton PUD - CY 2016 Actual*[2]	$389	$401
Benton PUD - CY 2017 Budget*	$411	$411
APPA - 2015 West median[3]	$561	$595
APPA - 2016 West median[3]	$584	$602

** includes bad debt expense*
(1) Escalated at 3% per year
(2) 2016 actual reflects significant one-time reductions and deferrals.
(3) Selected Financial and Operating Ratios of Public Power Systems survey
(Note: accounting for payroll taxes and benefits may vary among utilities)

Quarterly Performance Summary
The numbers included in this calculation are based on preliminary financial data. O&M costs per customer on a rolling 12-month basis at the end of the fourth quarter were $398, which is 3% below the target amount. In addition, the District continues to be well below the APPA West median of $602.



Responsible Manager: Kent Zirker

Data Provider: Michelle Swanson

Report Date: 2/1/2018

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title

Accounts Receivable Collections

Definition

Percentage of accounts receivable that are paid within 60 days after billing.

How Performance Measure is Computed

The percentage is calculated by dividing the amount of accounts receivable under 60 days by the total amount of accounts receivable for electric customers. This measure does not include miscellaneous accounts receivable, such as power billings or cost reimbursements.

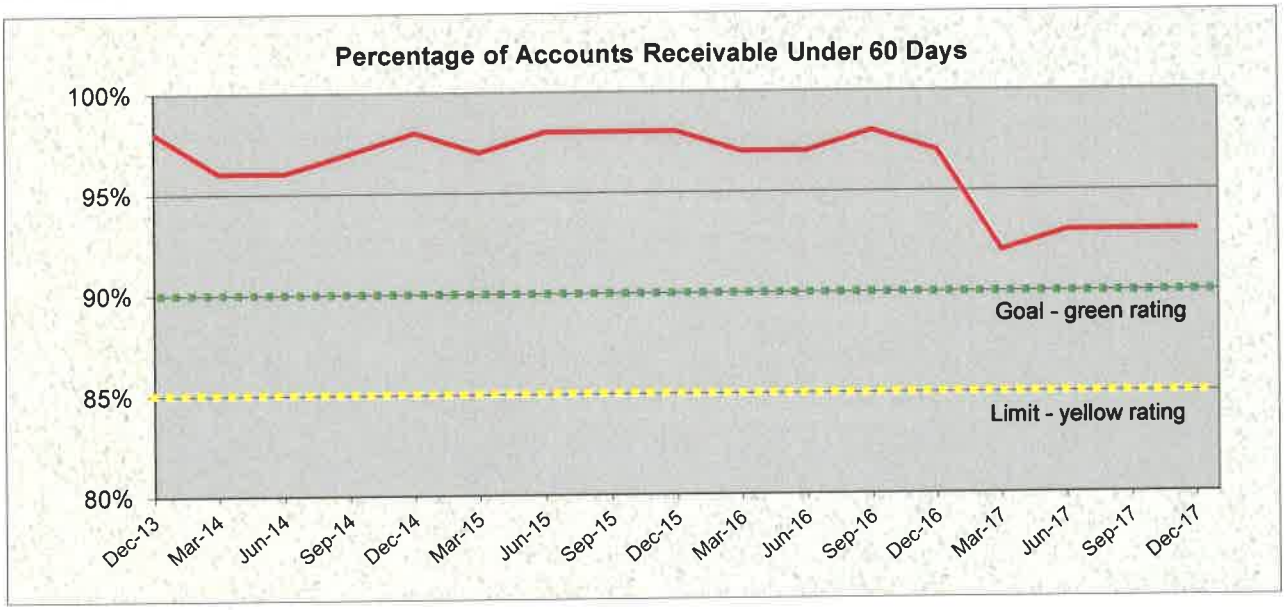
Goal

The goal is to increase the percentage of accounts receivable under 60 days to a level of 90% or more of the total accounts receivable. A green rating will be achieved if the actual results are at 90% or higher; a yellow rating will be assigned if the actual results are between 85% to 90%; a red rating will be assigned if the actual results are below 85%.

	Goal		Actual
Q1	90%	Q1	92%
Q2	90%	Q2	93%
Q3	90%	Q3	93%
Q4	90%	Q4	93%

Quarterly Performance Summary

This performance measure is rated green for the quarter. However, it should be noted that fourth quarter results are lower than historical levels. This can be attributed to the delay of running the write off process in 2017 due to the NISC implementation. As a result, account balances eligible for write off were deferred for several months, causing them to remain in A/R for a longer period of time. Accounts eligible for write off were caught up in January, 2018. As a result, it is expected that Q1 of 2018 results will be more in line with previous levels.



Responsible Manager: Paula Ball

Data Provider: Kent Zirker

Report Date: 1/31/2018

Performance Measure Title

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Safety

Definition

The measure will benchmark reportable injuries or illnesses as recorded on the OSHA 300 log. The summary will specify incidents and look for trends and opportunities to correct through training, retraining, work procedure changes, engineering controls or other reasonable actions to address.

How Performance Measure is Computed

We will use the OSHA Form 300A "Summary of Work Related Injuries and Illnesses" for safety benchmarking against the Bureau of Labor Statistic numbers published each year. The basic requirement for recording an illness or injury is if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness, or a significant injury or illness diagnosed by a physician or other licensed health care professional. The incidence rates are calculated according to the following formula: (N/EH) x 200,000 where N = number of incidents for the previous 12-months and EH = total hours worked by all employees during the same 12-month period. The 200,000 is the constant for 100 full-time workers working 40 hours per week for 50 weeks per year.

Benchmark (not to exceed)

The benchmark is to be less than the Total Recordable Cases as published annually by the Bureau of Labor Statistics. This figure changes annually as a result of OSHA 300 log reports. This measure will be rated green if BPUD calculated reportable incidents are below 80% of the benchmark, yellow if they are between 80%-120% of the benchmark, and red if they are over 120% of the benchmark or as a result of a serious injury and/or Labor and Industries citation.

	Benchmark	BPUD
Q1	5.91	3.9
Q2	5.91	4.6
Q3	5.91	3.3
Q4	5.91	1.3

Quarterly Performance Summary

The following two incidents were reported on the OSHA 300 form in the last 12 months (Jan 1, 2017 - Dec 31, 2017):

- 05.11.17: Substation Electrician in Training: Went to the hospital at the District's request following an unavoidable vehicle accident with a third party
- 03.10.17: Pre-Apprentice Lineman: Cut to left hand when improperly using knife

Responsible Manager: Steve Hunter

Data Provider: Diane Schlekewey

Report Date: 1/26/2018

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title

Training & Development Attendance

(Does not include District Safety training as of Q2 2017)

Definition

This performance measure reflects the results achieved in meeting the training and development attendance goals for the quarter. The training goal includes those Leadership and Workforce courses approved by the Leadership Team. Under utilization wastes the resources of the learning staff member (LSM) (preparing for courses that are not delivered), causes rework (having to facilitate make up classes) and wastes the purchase of participant materials. The goal is to ensure the majority of scheduled participants attend the training, while allowing flexibility for those on approved medical leave of absence. Lack of meeting the attendance goals may reflect other legitimate schedule conflicts, ineffective course frequency or length, priority-setting improvements needed of participants and/or their managers, or other factors that may interfere with the training goal for the quarter.

How Performance Measure is Computed

The target is derived each quarter based on the District Leadership and Workforce training goals approved by the Leadership Team. It is the percentage of learning hours completed against the scheduled learning hours, with the goal minimum set at 90% of the required training participants' learning hours to achieve a green rating. A yellow rating reflects attendance at 80 - 89.99% of required participants, and a red rating reflects below 80% of required participants.

Goal

Achieve 90% of training goal minimum (required attendees).

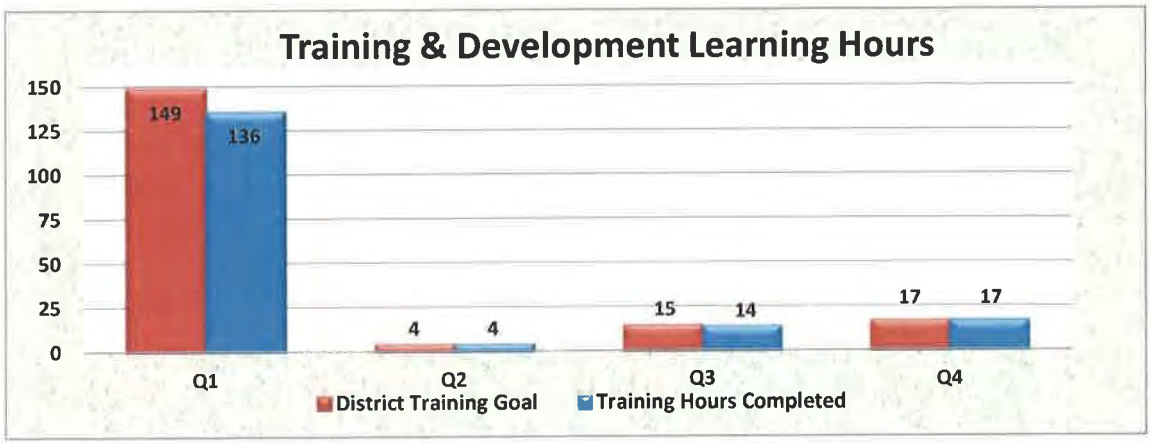
	Training Hours Goal	Training Hours Completed	% to Goal
Q1	149	136	91%
Q2	4	4	100%
Q3	15	14	95%
Q4	17	17	100%
Year Total:	186	172	92%

Color Rating
90% +
80.00-89.99%
< 80%

Quarterly Performance Summary

During the fourth quarter of 2017, 100% of schedule learning hours were completed for five new hires (three (3) Customer Service Representative I - On Call and two (2) Lineman-Journeyman); resulting in a green rating. The following trainings were scheduled for and attended during the quarter:

	Scheduled	Attended	Attendance %
HR Policies	5	5	100%
Records Policy	3	3	100%
Ethics and Conduct	5	5	100%
Workplace Violence Prevention	5	5	100%



Responsible Manager: Melina Wenner

Data Provider: Kayla Sidwell

Report Date: 1/30/2018

Performance Measure Title

Hiring Efficiency - "Time to Fill"

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Definition

The purpose of assessing "Time to Fill" is to measure the time in calendar days from approval of a job requisition up to the existing employee acceptance of a new job offer or the date a candidates background screening is cleared by the Manager of Human Resources. Human Resources will use this information to determine and report to District management areas of strength and areas that may need adjustment to ensure recruitment process timelines are not extended to unreasonable lengths.

How Performance Measure is Computed

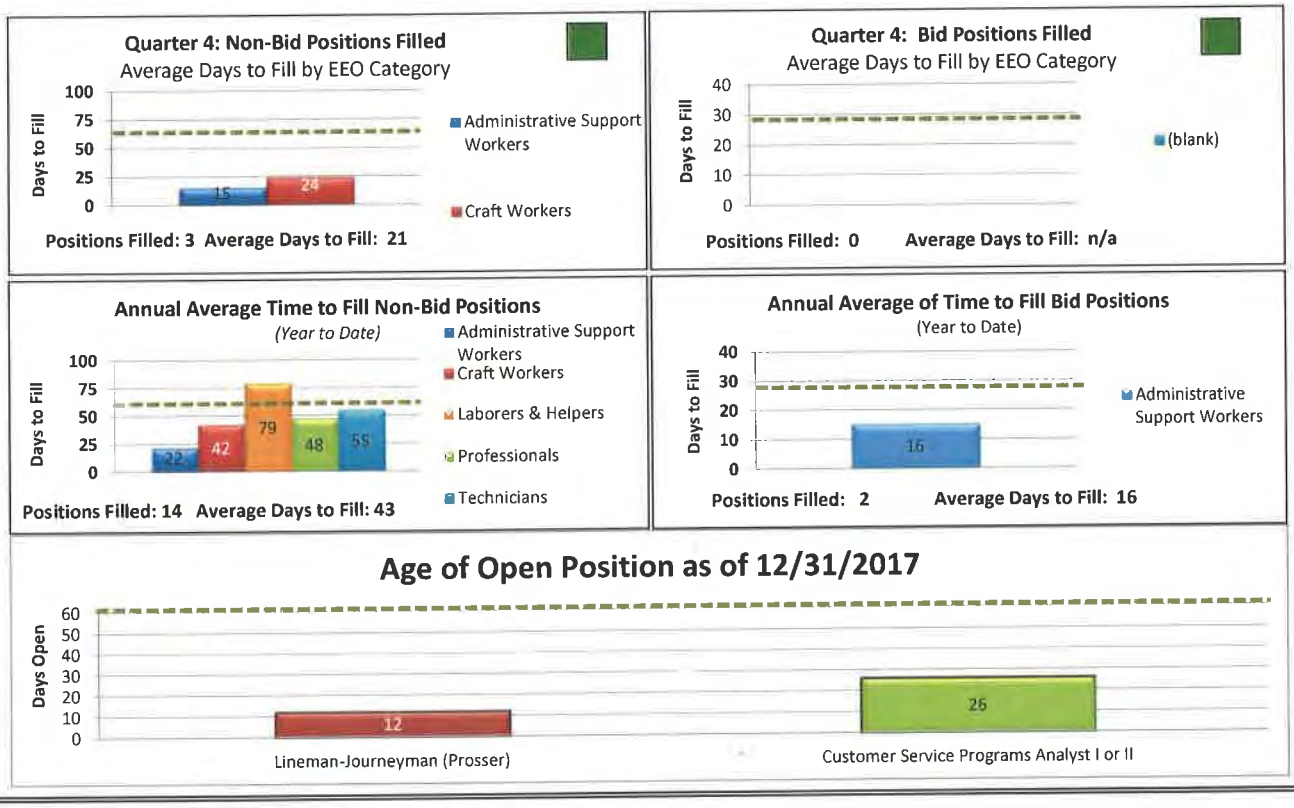
This measure shows the average number of days to fill a position by EEO category, for both non-bid and bid jobs, on a monthly and annual basis.

Goal

Green ratings will be issued when all the bid jobs filled in the measured quarter average 28 days or less and for non-bid jobs when the average filled is 60 days or less. Yellow ratings will be issued when the days to fill for bid jobs are 29 to 35 days and for non-bid jobs when the days to fill are 61 to 74 days or when either the bid or non-bid job rating is green and the other is yellow. An overall red rating will be issued when either the bid or non-bid rating is red. The rating for Outlook will be based on the Age of Open Positions, using the previously noted measurements, and estimation of additional time to fill. (Note: Annual numbers are provided for informational purposes only).

Quarterly Performance Summary

During the fourth quarter of 2017, the District successfully filled three (3) posted positions. The non-bid positions filled were 1 - Lineman-Journeyman (Prosser), 1 - Lineman-Journeyman (Kennewick), and 1 - Customer Service Representative I On Call (Kennewick). The fourth quarter rating for non-bid positions is green. At the conclusion of the fourth quarter, the District had two (2) positions remaining open: 1 - Lineman Journeyman (Prosser) and 1 - Customer Service Programs Analyt I or II. The year-to-date status is marked Yellow as the status in Q2 and Q4 were green but the status in Q1 and Q3 were red. The average time to fill non-bid positions in 2017 was less than 60 days, with one classification averaging over 60 days, and the average time to fill bid positions in 2017 was less than 28 days. It is expected to take longer than 60 days to fill the current Lineman-Journeyman position due to the limited number of qualified applicants applying for positions and the larger number of utilities currently advertising for Lineman (12 postings on the NWPPA job site at the beginning of January).



Responsible Manager: Melina Wenner

Data Provider: Karen Dunlap

Report Date: 1/12/2018

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title

Day Ahead Power Price vs. ICE Index

Definition

Measures the difference between the daily weighted average unit price for actual purchase and sale transactions and the Intercontinental Exchange (ICE) Firm Mid-Columbia Price Index for the same day. This measure evaluates the effectiveness of the District in executing transactions relative to the average market price for all transactions for a particular day. The ability to transact at close to the daily ICE index price is important for the District. The District from time to time enters into financial transactions that contain settlement provisions based upon ICE index prices. The efficacy of hedging with financial transactions is diminished if the District is unable to execute transactions near the index price. Additionally, the District is required to compensate the other Packwood purchasers for non-firm energy production at a price indexed to the daily ICE index price.

How Performance Measure is Computed

A single $/MWh figure will be calculated for each calendar quarter that reflects the difference between the actual weighted average price of all transactions executed by the District and the weighted average price if all transactions had been priced at the daily ICE Index prices. Purchase and sale transactions will be melded into this single figure. Purchases made at less than index, and sales made at greater than index, will be treated as positive values. Purchases made at greater than index, and sales made at less than index, will be treated as negative values. If the weighted average price of all District transactions during a calendar quarter exactly equals the weighted average ICE index price, the performance measure will equal $0/MWh. To the extent the District sells energy above index or purchases energy below index, the performance measure will be greater than $0/MWh. To the extent the District sells energy below index or purchases energy above index, the performance measure will be less than $0/MWh.

Goal

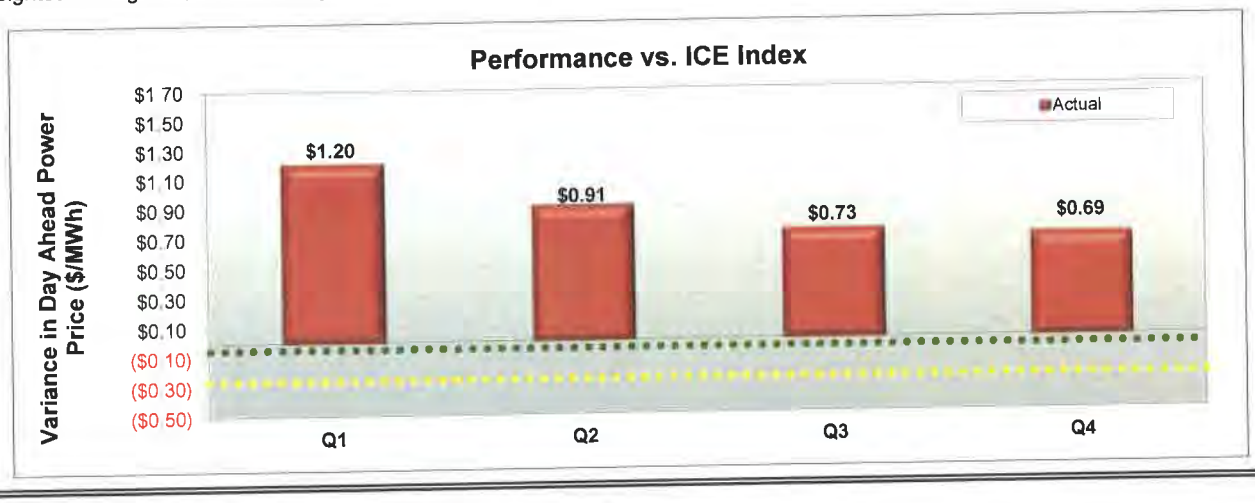
Unit prices equal to daily ICE price index. A green rating will be assigned if actual unit price is above index or less than $.10 below index; a yellow rating if actual is below index by $.11 - $.30; a red rating if actual is more than $.30 below index.

	Goal	Actual
Q1	$0.00	$1.20
Q2	$0.00	$0.91
Q3	$0.00	$0.73
Q4	$0.00	$0.69
Annual	$0.00	$ 0.90

	Volume (MWh)		Avg Price vs Index	
	Purchase	Sale	Purchase	Sale
Q1	5,190	135,130	0.25	1.24
Q2	37,256	180,168	0.09	1.08
Q3	29,228	76,775	0.31	0.89
Q4	9,191	126,163	-0.02	0.74
YTD	80,865	518,236	0.25	1.24

Quarterly Performance Summary

TEA day ahead trading continues to outperform the market and add value to the District. Ending the quarter above index by a weighted average of $0.69 and the year by $0.90, resulting in a green rating for this performance measure.



Responsible Manager: Chris Johnson

Data Provider: Alex Wong/TEA

Report Date: 1/31/2018

Performance Measure Title

Surplus Sales Revenue

2017 Status

Q1 Q2 Q3 Q4

Year-To-Date

This performance measure is currently unavailable. This measure is being evaluated and is targeted to return in 2018.

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Performance Measure Title

Conservation Plan Bi-Annual Actuals/Target

Definition

The District will monitor our quarterly conservation accomplishments and target levels in compliance with the Energy Independence Act (EIA). The District's ten-year cost-effective conservation resource potential and 2016-2017 biennial target was developed to meet the District's conservation objectives and was approved by Commission on November 10, 2015. The objective is to meet or exceed the Districts 2016-2017 energy savings biennial target. Direct Savings are from District conservation programs acheived specifically in our service area. Indirect Savings are also acheived in our service area but include savings from codes and market transformation through Northwest Energy Efficiency Alliance (NEEA).

How Performance Measure is Computed

Actual Savings are derived from various entities such as the Northwest Power and Conservation Council, Bonneville Power Administration Energy Efficiency Implementation Manual, Cascade Engineering, NEEA, etc.

Goal

Monitor actual conservation achieved toward the Districts biennial target. Green rating is meeting or exceeding the program to date target/goal. Yellow rating is from 0 to -5% of the program to date target/goal. Red rating is greater than -5% of the program to date target/goal.

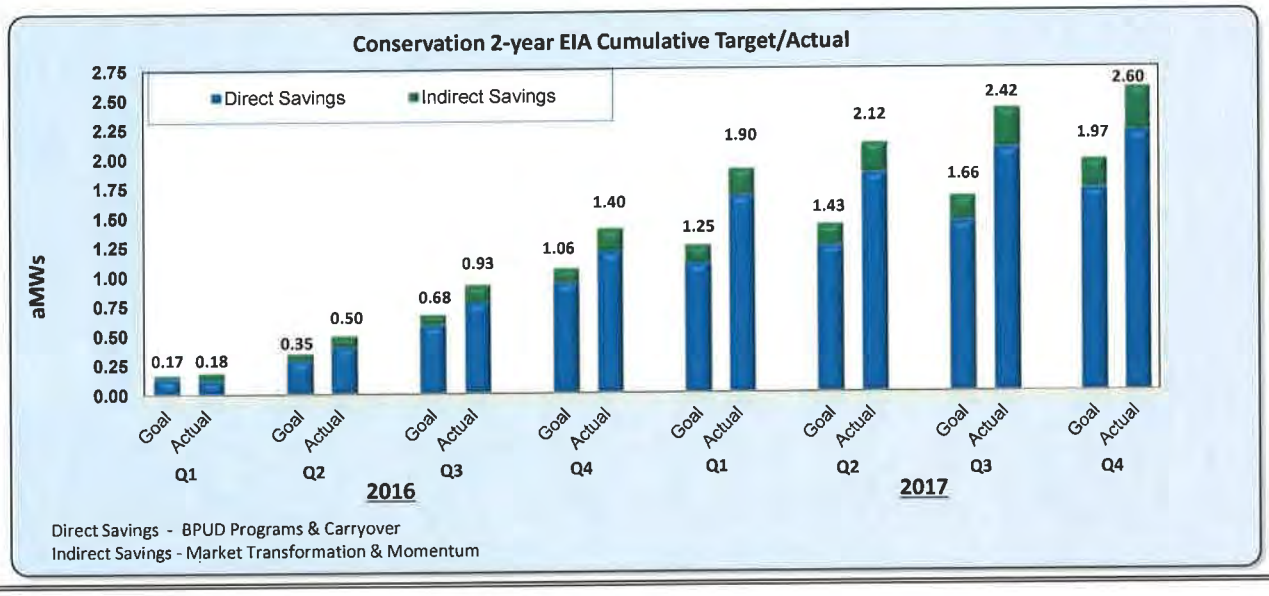
2016

	Q1 Cumulative		Q2 Cumulative		Q3 Cumulative		Q4 Cumulative	
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Internal & Smoothing		0.12		0.40		0.78		1.20
Market Transformation		0.06		0.11		0.15		0.20
Total aMWs	0.17	0.18	0.35	0.50	0.68	0.93	1.06	1.40

2017

	Q1 Cumulative		Q2 Cumulative		Q3 Cumulative		Q4 Cumulative	
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Internal & Smoothing		1.67		1.86		2.07		2.21
Market Transformation		0.23		0.26		0.34		0.40
Total aMWs	1.25	1.90	1.43	2.12	1.66	2.41	1.97	2.60

Actual cumulative savings for Q4 show a green rating as we exceeded our goal. The goal originally set for the biennium (1.97 aMW) had already been exceeded in the previous quarter and therefore conservation programs have intentionally been throttled back. The final total of 2.60 aMW at the end of Q4 allows the District to acheive its 25% EIA carryover savings to the next biennium.



Responsible Manager: Chris Johnson

Data Provider: Terry Mapes

Report Date: 1/31/2018

Performance Measure Title

Broadband Network Reliability

3 - 9s	4 - 9s	5 - 9s
99.9=G	99.95=G	99.999=G
99.8=Y	99.90=Y	99.995=Y
99.5=R	99.85=R	99.950=R

All Green=
Any Yellow=
Any Red=

2017 Status

Q1 | Q2 | Q3 | Q4

Year-To-Date

Definition

We will be measuring four areas of network reliability: NoaNet (Regional Network), SONET (Fiber Backbone), Ethernet (Customer Fiber) and Wireless. The measure of value and performance of a network is determined by the reliability of the network and at the extent to which it can maintain an adequate level of "up" time and service to the end users. The District's Broadband network consists of four segments and each of these segments will be measured independently as a part of the total network reliability. The measurements and tracking process will allow the Broadband technical and management staff to determine the level of service and value of the network to the Retail Service Providers and the end users they serve. The results of the measurements will be part of the rate setting structure, level of service guarantees provided to RSPs and performance of staff.

How Performance Measure is Computed

Target performance for backbone and upstream to NoaNet is to operate at 5-9's reliability, laterals at 4-9's reliability, and wireless at 3-9's reliability.

Goal

Maintain an adequate level of "up" time and service to end users.

Regional Network

	Goal	Actual
Q1	99.999%	100.000%
Q2	99.999%	100.000%
Q3	99.999%	100.000%
Q4	99.999%	100.000%

Fiber Backbone

	Goal	Actual
Q1	99.999%	100.000%
Q2	99.999%	100.000%
Q3	99.999%	100.000%
Q4	99.999%	100.000%

Customer Fiber

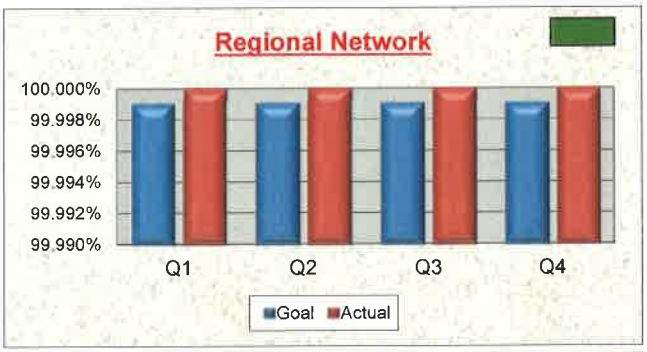
	Goal	Actual
Q1	99.99%	100.00%
Q2	99.99%	99.99%
Q3	99.99%	100.00%
Q4	99.99%	100.00%

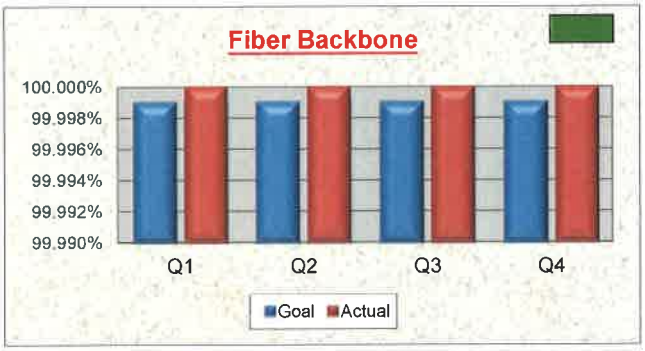
Wireless

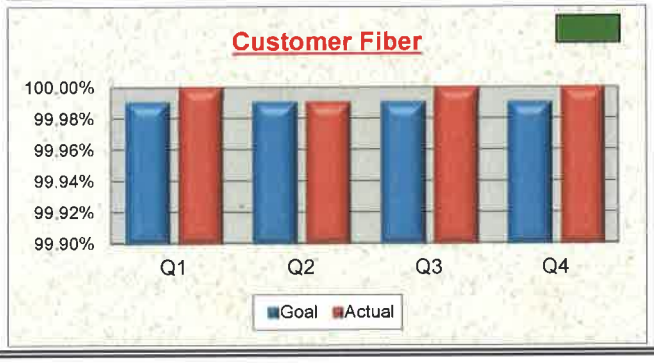
	Goal	Actual
Q1	99.9%	99.9%
Q2	99.9%	99.6%
Q3	99.9%	99.9%
Q4	99.9%	99.9%

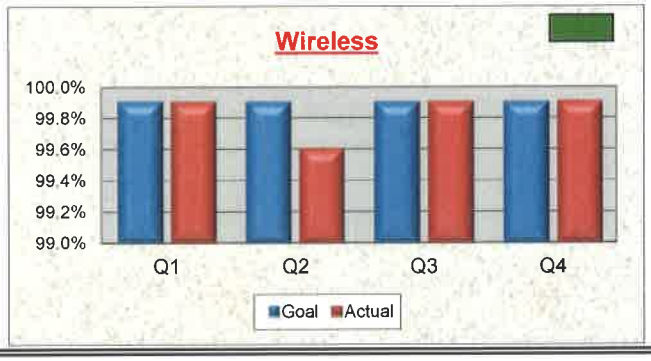
Quarterly Performance Summary

The network this quarter performed well overall. Outages on the wireless network were due to extended power outages which exhausted the battery back up at those sites.









Responsible Manager: Rick Dunn

Data Provider: Shawn Rose

Report Date: 1/24/2018

Performance Measure Title

Energy Loss Percentage

2017 Status			
Q1	Q2	Q3	Q4
Year-To-Date			

Definition

Energy Loss Percentage is the ratio of energy losses within the electrical system to total load as reported by BPA. This ratio measures how much energy is lost in the District's electrical system and is an indicator of the efficiency of the electrical system. It represents the percentage of electrical energy that is bought or generated by the utility, but is not available to be sold to customers. Losses include both physical losses that occur in the distribution system and metering and billing cycle losses.

How Performance Measure is Computed

This measure is computed by dividing the excess of BPA reported load over billed retail kWh on a rolling 12-month basis.

Goal

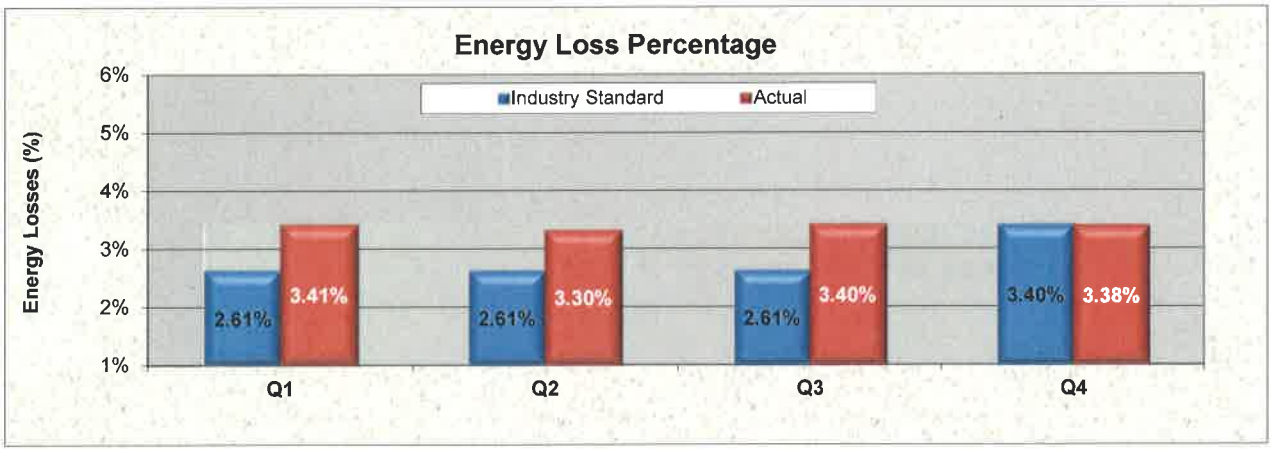
Industry Standard: The industry standard of 2.61% represents the median for 17 utilities with 50,000 to 100,000 customers in the 2015 APPA survey "Selected Financial and Operating Ratios of Public Power Systems" published in November 2016. Using the median as our benchmark provides a stable and relevant reference given the diversity of BPUD's distribution system and the fact we serve both urban and rural areas. For 2017 Q4, the 2016 standard of 3.4% was available and used below.

Rating: A green rating will be assigned if actuals are no more than one percentage point above the Industry Standard. A yellow rating will be assigned if actuals are between one and two percentages points above the Industry Standard, and a red rating will be assigned if actuals are more than two percentage points above the industry standard.

	Industry Standard	Actual	BPA Billed (aMW)	BPUD Billed (aMW)	Loss (aMW)
Q1	2.61%	3.41%	208.7	201.6	7.1
Q2	2.61%	3.30%	205.3	198.5	6.8
Q3	2.61%	3.40%	209.6	202.4	7.1
Q4	3.40%	3.38%	210.9	203.8	7.1

Quarterly Performance Summary

This measure is rated green for the fourth quarter because the actual energy loss percentage of 3.38% was less than one percentage point below the industry median for utilities in our customer size class.



Responsible Manager: Evan Edwards

Data Provider: Kent Zirker

Report Date: 1/31/2018

2017 Status
Q1 Q2 Q3 Q4
Year-To-Date

Performance Measure Title

Electric Reliability

This performance measure is currently unavailable. This measure is being evaluated and is targeted to return in 2018.

2017 Status

Q1 Q2 Q3 Q4

Outlook

Performance Measure Title

Electric System Outages

This performance measure is currently unavailable. Due to the implementation of a new customer information system (NISC) this measure is being evaluated and is targeted to return in 2018.

Performance Measure Title

Enterprise Application Reliability

1 Y or All G =
2 Y or 1 R =
2 R =

2017 Status			
Q1	Q2	Q3	Q4
Year-to-Date			

Definition

Measures the reliability of seven enterprise software applications: HPRM (document management system), iVUE (customer information system, financials and payroll, outage management system, document vault, payments, outbound IVR and work scheduling), Epicor HCM (human resources management system), GIS (mapping system), SCADA (electrical system monitoring and operations system) and AMI (automated metering system). We will also measure the realiability of the databases that support these applications. The measure of value and performance of software applications is determined by the reliability and maintaining an adequate level of "up" time and service to the end users. The measurements will allow management staff to determine the level of service and value of each application to the end users they serve.

**note for the applications to be considered available, all parts must be available as defined by each system owner*

24x7 Applications*

Downtime	Rating
0-13 mins	Green
14-25 mins	Yellow
> 26 mins	Red

*iVUE, GIS, SCADA, AMI, Databases

Business Hour Applications*

Downtime	Rating
0-6 mins	Green
10-37 mins	Yellow
> 37 mins	Red

*TRIM, HRMS

How Performance Measure is Computed

Target performance for each application has been defined by the respective System Owner and is indicated in the "Goal" columns below. For HPRM and HRMS, the performance is based on Business Hours and iVUE, GIS, SCADA, AMI and the databases are based on 24x7 availability. Each system has a Scheduled Maintenance Window for allowed after hours maintenance that will be excluded from the measurements.

Goal

Maintain an adequate level of "up" time and service to end users.

Quarterly Performance Summary

This performance measure is rated yellow for 4th Quarter. The District experienced 65 minutes of degraded service this quarter due to the NISC Payment Gateway being down on November 7 after NISC applied a patch to their servers that host the gateway. During this time Customer Service representatives were unable to take credit card payments in the office and customers were not able to make payments over the phone (IVR) or on SmartHub. The iVUE application was upgraded on December 15 during this quarter with no issues.

System	Goal	Q1	Q2	Q3	Q4
HPRM	99.99%	100.00%	100.00%	100.00%	100.00%
iVUE	99.99%	100.00%	99.95%	99.51%	99.95%
HRMS	99.99%	100.00%	100.00%	100.00%	100.00%
GIS	99.99%	100.00%	100.00%	99.94%	100.00%
SCADA	99.99%	100.00%	100.00%	100.00%	100.00%
AMI	99.99%	100.00%	100.00%	100.00%	100.00%
Databases	99.99%	100.00%	100.00%	100.00%	100.00%

Responsible Manager: Chris Folta

Data Provider: Jennifer Holbrook

Report Date: 12/31/2017

Performance Measure Title

Enterprise Application Reliability

1 Y or All G =	
2 Y or 1 R =	
2 R =	

2017 Status			
Q1	Q2	Q3	Q4
Year-to-Date			

Definition

Measures the reliability of seven enterprise software applications: HPRM (document management system), iVUE (customer information system, financials and payroll, outage management system, document vault, payments, outbound IVR and work scheduling), Epicor HCM (human resources management system), GIS (mapping system), SCADA (electrical system monitoring and operations system) and AMI (automated metering system). We will also measure the realiability of the databases that support these applications. The measure of value and performance of software applications is determined by the reliability and maintaining an adequate level of "up" time and service to the end users. The measurements will allow management staff to determine the level of service and value of each application to the end users they serve.

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24x7 Applications*

Downtime	Rating
0-13 mins	Green
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*iVUE, GIS, SCADA, AMI, Databases

Business Hour Applications*

Downtime	Rating
0-6 mins	Green
10-37 mins	Yellow
> 37 mins	Red

*TRIM, HRMS

How Performance Measure is Computed

Target performance for each application has been defined by the respective System Owner and is indicated in the "Goal" columns below. For HPRM and HRMS, the performance is based on Business Hours and iVUE, GIS, SCADA, AMI and the databases are based on 24x7 availability. Each system has a Scheduled Maintenance Window for allowed after hours maintenance that will be excluded from the measurements.

Goal

Maintain an adequate level of "up" time and service to end users.

Quarterly Performance Summary

This performance measure is rated yellow for 4th Quarter. The District experienced 65 minutes of degraded service this quarter due to the NISC Payment Gateway being down on November 7 after NISC applied a patch to their servers that host the gateway. During this time Customer Service representatives were unable to take credit card payments in the office and customers were not able to make payments over the phone (IVR) or on SmartHub. The iVUE application was upgraded on December 15 during this quarter with no issues.

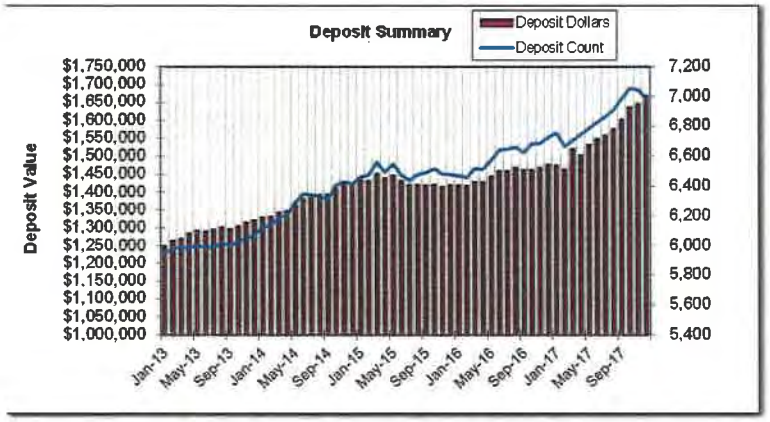
System	Goal	Q1	Q2	Q3	Q4
HPRM	99.99%	100.00%	100.00%	100.00%	100.00%
iVUE	99.99%	100.00%	99.95%	99.51%	99.95%
HRMS	99.99%	100.00%	100.00%	100.00%	100.00%
GIS	99.99%	100.00%	100.00%	99.94%	100.00%
SCADA	99.99%	100.00%	100.00%	100.00%	100.00%
AMI	99.99%	100.00%	100.00%	100.00%	100.00%
Databases	99.99%	100.00%	100.00%	100.00%	100.00%

Responsible Manager: Chris Folta

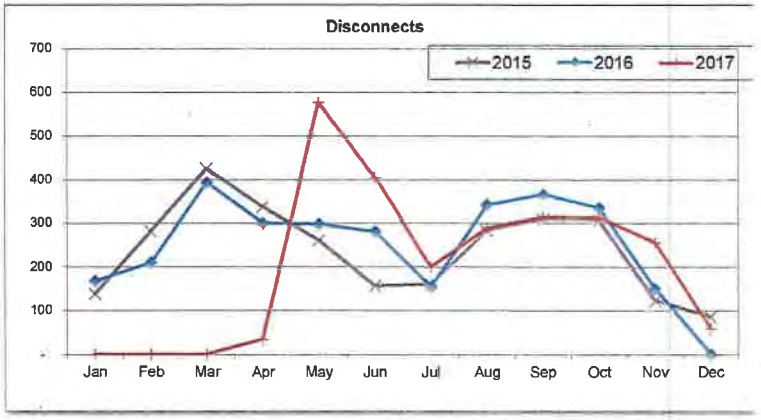
Data Provider: Jennifer Holbrook

Report Date: 12/31/2017

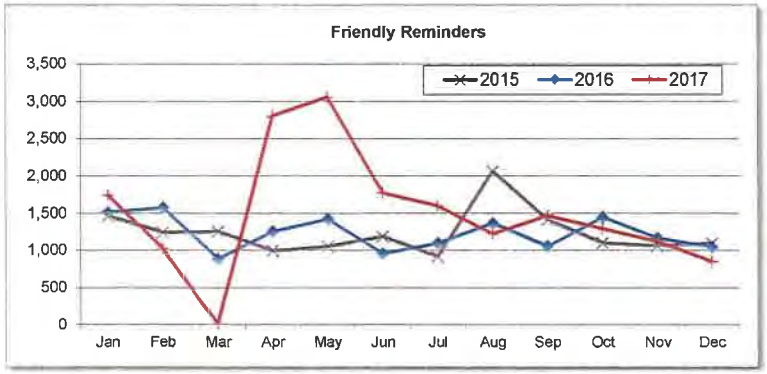
Electric Credit & Collections Dashboard
December 2017



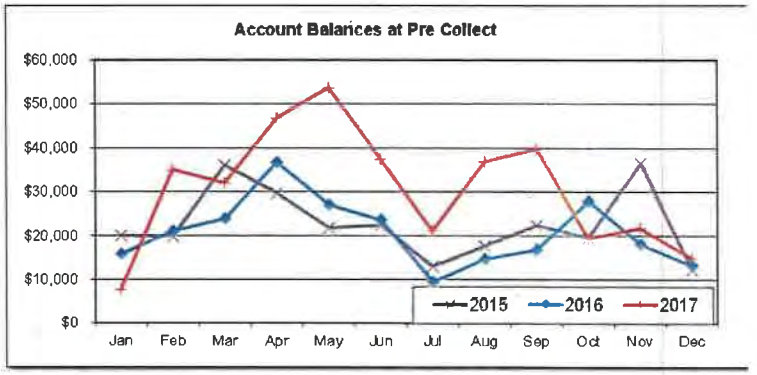
Deposit Summary - This graph presents the total deposit value and number of accounts with a deposit. Excludes large irrigator, power counterparties and broadband deposits.



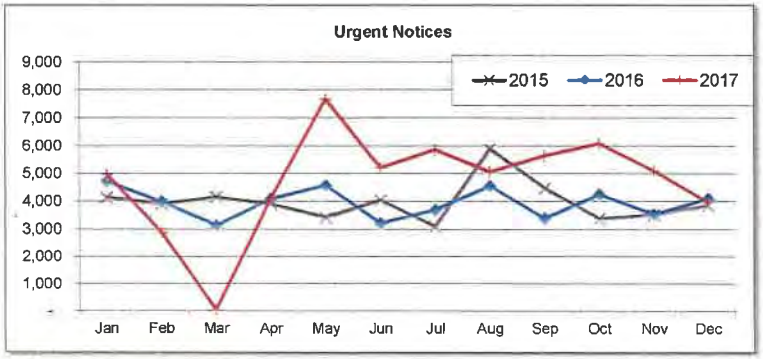
Disconnects - This graph presents the total number of accounts disconnected by month for comparative years.



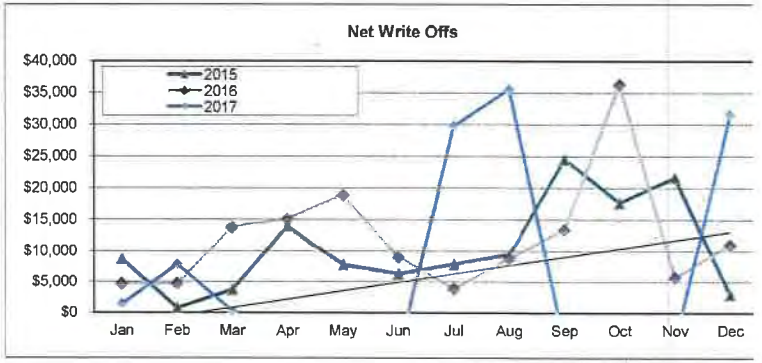
Friendly Reminder - This graph represents the total number of friendly reminders issued by month. Friendly Reminders are sent to good paying customers who have not made payment 10 days after the due date.



Account Balances at Pre Collect - This graph presents the balances turned over to the collection agency by month for comparative years.

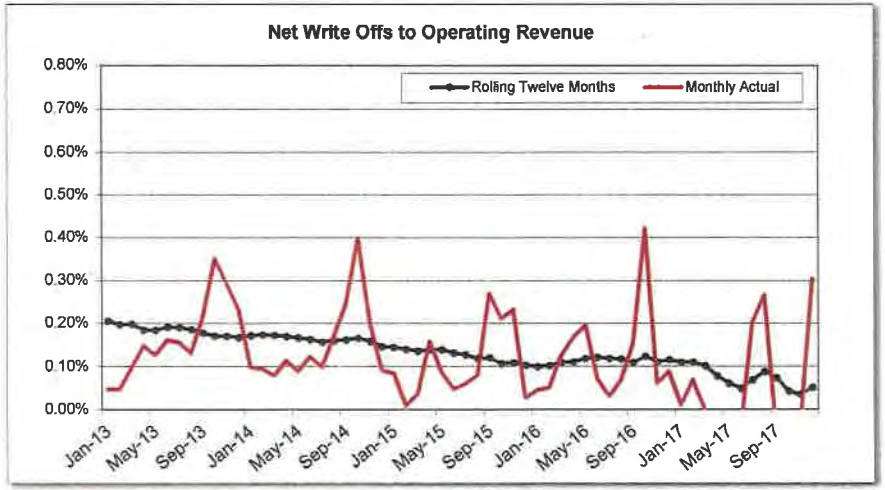


Urgent Notices - This graph presents the total number of urgent notices issued by month for comparative years. Urgent notices are sent to customers as a final request for payment before disconnect occurs.

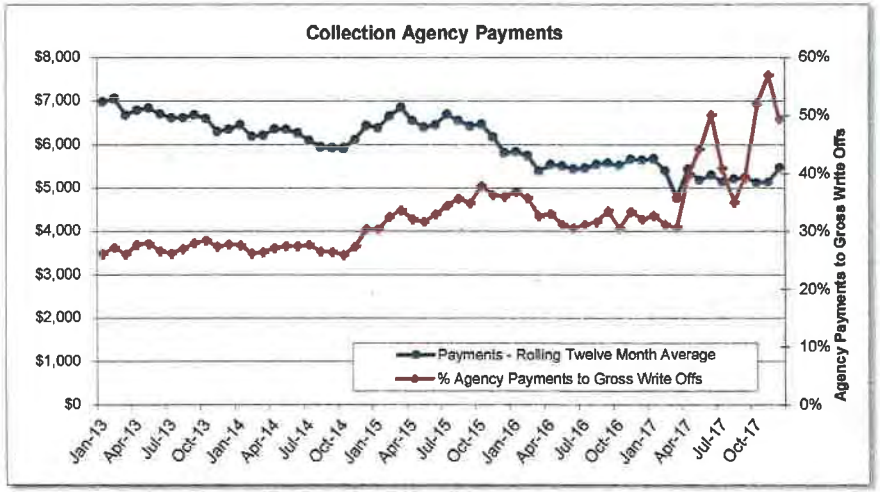


Net Write Offs - This graph presents net write offs by month for comparative years. Net write offs are equal to gross write offs less collection agency payments.

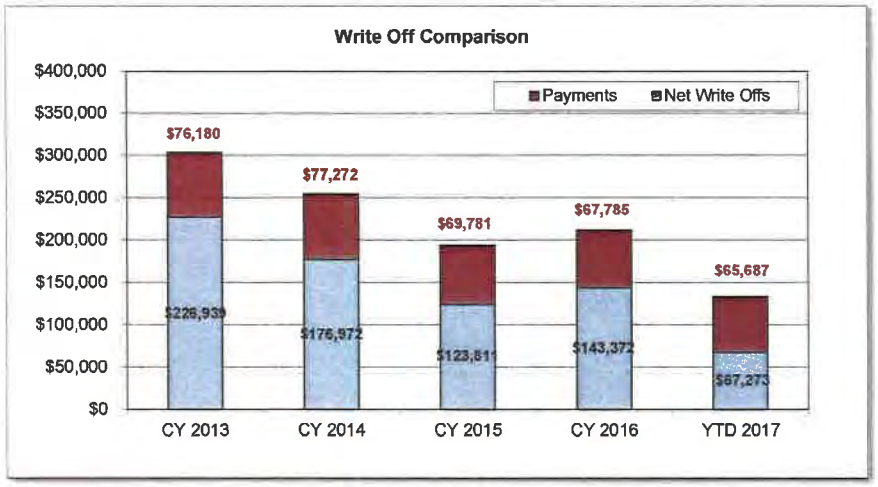
Electric Credit & Collections Dashboard
December 2017

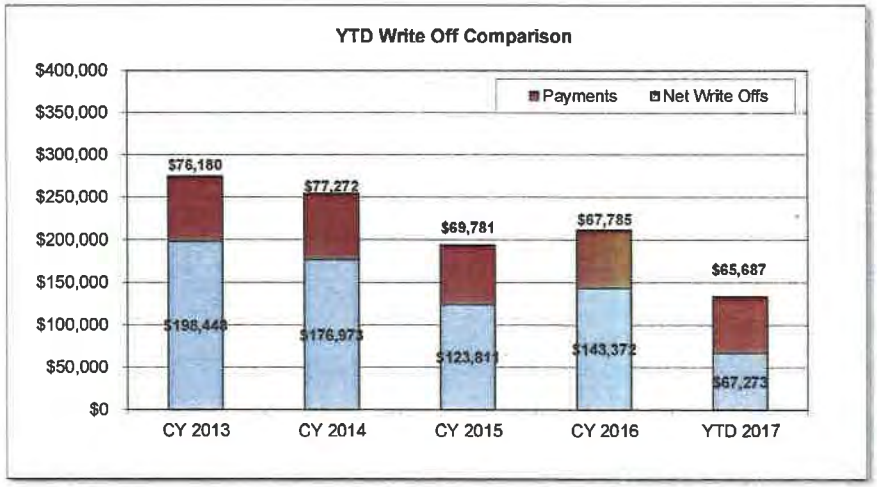


Net Write-Offs to Operating Revenue - This graph presents the ratio of net write-offs to operating revenue (excluding Sales for Resale) for the current month and past 12 months.



Collection Agency Payments - This graph presents payments from the collection agency as a percent of write offs for the current month and the average monthly gross payments for the past 12 months.





Write Offs - This graph presents collection agency payments and net write offs. The combined total of both stacks of the bar represents gross write offs.

BENTON P.U.D

	Business Agenda
	Second Reading
	Consent Agenda
	Info Only/Possible Action
✓	*Info Only*

COMMISSION MEETING AGENDA ITEM

Subject:	January 2018 Financials	
Agenda Item No:	7n	
Meeting Date:	March 13, 2018	
Presented by:	Kent Zirker	*Staff Presenting Item*
Approved by (dept):	Jon Meyer JM	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration:

None

Recommendation/Background

None

Summary

The January financial statements will be reviewed during the Commission meeting.

Fiscal Impact

None