The Pledge of Allegiance was given.

General Manager informed the Commission of a possible Norovirus exposure in the Auditorium associated with an auditorium rental the previous Wednesday. The District was notified by the Health Department on Monday, January 13, 2020. The District’s janitorial service used the proper protocols to clean and disinfect the auditorium, lobby, and bathrooms per the Health Department’s recommendations that evening. Following the cleaning of the area, the Health Department indicated that the facility should be safe for use. Staff continues to be in contact with the Health Department.
**Treasurer’s Report**

Due to recent improvements in snow levels and water conditions that will be discussed in more detail later in the meeting, Manager provided an update to the unrestricted reserves and days cash on hand handout.

Motion by Lori Sanders, seconded by Barry Bush to set the unrestricted reserves fund account balances to the following: Designated Special Capital Fund $0.00; Power Market Volatility $1,229,168.70; and the Undesignated Reserves $0.00.

MOTION PASSED UNANIMOUSLY.

The counterparty and sector reports were distributed and briefly reviewed.

**Consent Agenda**
Motion by Barry Bush, seconded by Lori Sanders to approve the Consent Agenda as follows:


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 77724-77737 77893-77966 78123-78162 in the total amount of $2,851,267.44, Checks & Customer Refund payments (CHK) 78195-78419 in the total amount of $1,795,309.79, Electronic Fund Transfer (WIRE) payments 5155-5191 in the total amount of $8,037,271.95; Residential Conservation Rebates: Credits on Customer Accounts in the total amount of $1,150.00; Purchase Card Detail for November 2019; Payroll: Direct Deposit – 12/12/2019 77738-777892 in the total amount of $380,946.91, Direct Deposit – 12/26/2019 77967-78122 in the total amount of $362,763.04, for a grand total of $13,428,709.13. Voided DD in the total amount of $3,594.66; Voided checks in the total amount of $4,697.65 were included on the report.

d) Approving Work Order 576483 for the installation of underground primary electric facilities to serve Steeplechase Subdivision consisting of 100 Lots West of South Summit View Dr. and East of Clear View Ln.

e) Authorizing the General Manager, on behalf of the District, to sign Change Order #6 of Contract #17-13 with ABM Industry Group, LLC, to extend the term of the contract to December 31, 2020 and increase the not-to-exceed amount by $125,600.00; bringing the new not-to-exceed amount of the contract to $310,012.62.

f) Authorizing the General Manager, on behalf of the District, to sign Change Order #3 of Contract #19-07 with Industrial Contractors, to increase the not-to-exceed amount by $4,162.89; bringing the new not-to-exceed amount of the contract to $333,329.56.
g) Authorizing the General Manager, on behalf of the District, to sign Change Order #2 of Contract #04-00-01 with the City of Kennewick, to extend the term of the contract to June 30, 2020.

h) Authorizing the General Manager, on behalf of the District, to sign Change Order #9 of Contract #18-46-02 with NoaNet, to increase the not-to-exceed amount by $32,370.00; bringing the new not-to-exceed amount to $2,950,706.00.

i) Awarding the contract for a 15kV Metal-clad Switchgear for the Southridge Substation, Bid Package #19-16 to States Manufacturing for the total amount of $488,515.00 plus Washington State sales tax in accordance with RCW 54.04.080.


k) Reviewing Quarterly Broadband Service Orders Report to Commission.

l) Reviewing Investment Policy (Resolution No. 2382), periodic review.

MOTION PASSED UNANIMOUSLY.

Report from Management

General Manager:
1. General Manager presented Commission Vice-President Lori Sanders with her 15-year service anniversary plaque.

2. The Commission was informed about Chelan PUD’s new project “Teach the Teachers”. This new project includes a week-long training to be held at Rocky Reach Dam educating teachers on the benefits of hydropower. Steve Wright, General Manager at Chelan PUD, approached area General Managers at a recent WPUDA meeting to gauge interest on partnerships. A brief discussion was held on the commitment and how teachers would be targeted for the opportunity to attend the annual training. Commissioners concurred with staff’s recommendations to partner with Chelan PUD and other utilities and provide $10,000 in funding for this opportunity for area teachers as well as a staff contact person to assist in developing the curriculum.

Senior Director of Engineering and Power Management:
1. Senior Director distributed a handout that was distributed at the January PPC meeting. Senior Director reviewed highlighted portions of the CRSO EIS Strategy handout, focusing on the PPC D-EIS predictions and preparations. Discussion was held on the timeline and next steps for the EIS.

2. Topics from the PPC Executive Committee Strategic Planning meeting were discussed.

3. An update on Resource Adequacy was provided. Staff will continue to monitor and keep the Commission updated.

4. A map was displayed to show the location of a possible property purchase that would house a Substation in the future as more growth occurs in South Kennewick. Staff is currently working with District’s Legal Counsel on the possible purchase and would return to a future commission meeting with updates.

A brief discussion was held on the projector and screen updates that were made in the commission room.
Director of Finance & Business Services/Director of Customer Services and Programs:
1. Director of Finance held a discussion on small, medium, and large general service rate classes and how rate classes are assigned. A handout was distributed on the general service current structure and criteria. Staff will return to a future commission meeting with more information.

2. An update was provided on Irrigation/Agricultural rate classes and how they are assigned.

Manager of Customer Service:
1. Manager updated the Commission on the District’s recent Round Up to Helping Hands winter fundraiser. New technology within NISC allows District customers to enroll in Round Up using self-serve features in SmartHub, or over the phone with Customer Service staff. Customers have the option of rounding up to the next dollar amount, to donate a flat amount, or add a donation to their next bill. A little over $11,500 was raised during the winter fundraiser in both Round Up annual enrollment and one-time contributions. Customer Service staff were praised for their hard work in the recent fundraiser and enrolling customers into SmartHub.

Manager of Communications and Governmental Relations:
1. Manager provided a recap of the pre-event rally and public workshop held the evening of January 13, 2020 at the Pasco Red Lion on the Governor’s Lower Snake River Dam stakeholder report. About 150 people attended the rally and maybe close to 300-400 people attending the workshop, despite the weather. The workshop included a summary of the report and discussion by various stakeholders. There was no opportunity for public comment.

2. A discussion was held on the legislative bills staff is watching. Commission Secretary Barry Bush asked for more information on a blockchain bill being sponsored by Senator Brown.

3. Discussion was held on scheduling a grand re-opening of the Benton City Substation for Tuesday, February 11, 2020 at 1:30 p.m.

4. Manager requested ideas for things to do in Tri-Cities for conference attendees who will be attending the NWPPA Annual Conference that will be held at the Three Rivers Convention Center in May.

5. Commission Secretary Barry Bush asked a clarifying question on the Commissioner compensation bill.

At 10:30 a.m., Commission President Jeff Hall announced that the commission meeting would recess for 10 minutes.
At 10:40 a.m., Commission President Jeff Hall announced that the commission meeting would reconvene into regular open public session.

Business Agenda

Annual Recognition of Conflict of Interest Requirements – Code of Conduct
Acknowledgement, Governance of the Benton PUD Commission
General Manager briefly reviewed the Governance of the Benton PUD Commission, Code of Conduct, Policy No. 6, as well as RCW 42.23 relating to conflicts of interest and each commissioner’s duty to disclose any known conflicts as defined by law. Each commissioner acknowledged their awareness of both RCW 42.23 requirements and the District’s Governance Policy No. 6 requirement. No comments were received.

iParametrics, Contract Award Recommendation, physical security assessment
Several recent factors have heightened the need to enhance employee and public safety by increasing physical security at the District’s campuses. These factors include two break-ins from the Kennewick Operations yard and concerns from the District’s safety committees on a lack of comprehensive procedures to effectively respond to certain security threats facing businesses today including robbery and active shooter incidents.

An RFP was released to find a consultant that could provide a risk assessment of the District’s Operations, Administration, and Prosser offices. Seventeen responses were received and evaluated. District staff focused on further evaluation of iParametrics, LLC due to their previous experience in the public sector in Washington State and their high score compared to the other respondents. Reference calls were conducted, along with a scoping call with iParametrics, LLC.

Entering into this contract with iParametrics, LLC will provide the District with a comprehensive analysis of the current facilities, the identification of areas for improvement and a roadmap for implementing the improvements over time to increase the District’s security posture.

Motion by Lori Sanders, seconded by Barry Bush authorizing the General Manager, on behalf of the District, to enter into a contract with iParametrics, LLC, Contract #19-18-05, to conduct a physical security assessment of the District’s three main campuses (Administration, Operations, and Prosser) with a not-to-exceed amount of $85,818.00.
MOTION PASSED UNANIMOUSLY.

Morgan Stanley Capital Group, Contract Award Recommendation for Contract #19-51-04
General Manager informed the Commission this agenda item is information only/possible action. This topic has been discussed at length in prior Commission meetings, and this presentation will include a recap of the information shared in those meetings.

Manager of Power Contracts and Analytics reviewed a presentation on a Seasonal Capacity Product Contract with Morgan Stanley Capital Group. Manager reviewed staff recommendation, recommendation background, pricing and annual cost, additional contract
attributes, associated risks, and timing of BPA’s contract 2028 renewal. Discussion was held on Frederickson and BPA 2028 contract negotiations.

Motion by Lori Sanders, seconded by Barry Bush authorizing the General Manager, on behalf of the District, to sign a contract and all related documents with Morgan Stanley Capital Group, Inc., Contract #19-51-04, in substantially the form presented, to purchase a seasonal capacity product for 75MW heavy load hours (HLH) July/August and 25MW HLH December/January/February for a term of December 1, 2022 through August 31, 2025 at a not-to-exceed amount of $2,725,290.

MOTION PASSED UNANIMOUSLY.

November 2019 Financial Statements
Director of Finance gave an update presentation on the Financial Forecast. This included an update on the latest water projections. The 2020 water projection (based on January – July runoff at The Dalles Dam in million acre feet (MAF)) has improved from 91.2 MAF at the time of the forecast provided on December 10, 2019 to 98.2 MAF. Net power costs for 2020 are now projected to be $82.8 million. This is still higher than the 50th percentile based on the 2020 budgeted net power costs, but a reduction of $0.7 million from the December forecast.

Manager of Accounting distributed the November 2019 Financial Statements.

Other Business
General Manager provided an update on the auditorium remodel project.

Meeting Reports
Senior Director of Engineering and Power Management provided an update from the PPC Executive Committee meeting related to PPC’s bylaws and Code of Ethics.

At 11:25 a.m., Commission President Jeff Hall announced that the Commission would go into executive session with legal counsel for 5 minutes to discuss potential litigation.

At 11:30 a.m., Commission President Jeff Hall reconvened the commission meeting into regular open public session.

A discussion was held on a contract with a public employee.

Hearing no objection, Commission President Jeff Hall adjourned the Commission Meeting at 11:57 a.m.

ATTEST:

Barry A. Bush, Secretary

Lori Kays-Sanders, Vice-President

Commission Meeting Minutes
January 14, 2020