Public Utility District No. 1 of Benton County

2020 Audit Results

April 27, 2021
Agenda

1. Engagement Team
2. Nature of Services Provided
3. Significant Audit Areas
4. Audit Response to COVID
5. Auditor Opinions / Reports
6. Required Communications
7. New Accounting Pronouncements
Your Dedicated Team

Julie Desimone  
Partner and Technical Resource

Scott Simpson  
Concurring Reviewer, Partner

Keith Simovic  
Engagement Reviewer

Jared Brownson  
In-Charge Auditor
## Nature of Services Provided

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<th>Description</th>
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<td>1</td>
<td>Independent Auditors' Report on the financial statements of Public Utility District No. 1 of Benton County</td>
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<td>2</td>
<td>Assistance with, and technical review of the financial statements and CAFR for compliance with GAAP and GFOA award for excellence in financial reporting</td>
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<td>3</td>
<td>Report of Independent Auditors’ on Internal Control Over Financial Reporting and on Compliance in Accordance with Government Auditing Standards</td>
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<td>4</td>
<td>Communication to Those Charged with Governance</td>
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Significant Audit Areas

- Work Orders - Classification
- Customer Billings - Accuracy
- Long-Term Debt Refunding Transaction
- IT Security and Access
- Consistent Application of Internal Controls in a Remote Work Environment
Audit Response to COVID

• Audit performed in a remote environment
• Utilized technology and electronic audit tools
• Updated risk assessments
• Internal controls testing of transactions before and after COVID
• Review of the related disclosures for transparency
Audit Opinion/ Reports

Financial Statements
Unmodified (clean) opinion on financial statement

Government Auditing Standards Report
No findings

Communication with Those Charged with Governance
No material weaknesses
Required Communications

- Auditor’s responsibility under auditing standards
- **Significant accounting policies – Adoption of GASB 97**
- Management judgments & accounting estimates
- **Audit adjustments – No material adjustments**
- Management’s consultation with other accountants
- No disagreements with management
- No difficulties in performing the audit
- **Audit observations and recommendations – No material weaknesses noted. Best practice recommendations shared with management.**
Audit Issues – NEW ACCOUNTING PRONOUNCEMENTS

New Standards

GASB 97 – Certain Component Unit Criteria

GASB 87 – Leases

Effective Date

Effective now

Period beginning after 6/15/21
Acknowledgements

Thanks to District staff for the excellent facilitation of the audit process:

• All personnel across all departments were courteous, responsive and fulfilled all of our requests in a timely manner.

• ‘Tone at the Top’ and attitude from management was one of helpfulness, candor, and openness in response to audit requests and discussion points.
Contact Us

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Strategic Target

Ensure Strong Financial & Operational Stewardship

Meet & Exceed Customer Expectations

Strive to Meet 21st Century Power Grid Expectations

Maintain Reliable, Environmentally Responsible & Least-Cost Power
Value People

- Ensure Strong Financial & Operational Stewardship
- Meet & Exceed Customer Expectations
- Strive to Meet 21st Century Power Grid Expectations
- Maintain Reliable, Environmentally Responsible & Least-Cost Power
Strategic Goal: Value People

Demonstrate mutual respect and regard for the inherent value of all people through our words and actions.

Strategic Initiative: Cultivate an “Informed Workforce” – Utility Intelligence Project

Executive Sponsor: Melina Conover  Project Team: Melina Conover, Jodi Henderson, Dawn Stringer, Kayla Sidwell, Amber Vance
Utility Intelligence Project

Goal

Engaging and empowering employees to grow personally and professionally in understanding the electrical energy and broadband services delivery process and each other's roles, thereby becoming proud, confident, and credible community ambassadors.
Design & Development

**Design Documents (October-December)**
- Developed learning objectives and content outlines for 16 “training” episodes
- Incorporated visuals into content. Solicited rights to use images and videos not produced in-house
- Offered activities & periodic knowledge checks
- Identified personas (targeted learners): CSR & Operations Worker

**Storyboarding (January-April)**
- Identified sequence of onscreen text, visuals and knowledge checks for the 16 “training” episodes
- Tells story in a casual tone with slight humor
- Begins with the basic question, “Where does electricity come from” and concludes with the learner being educated, confident and credible on the issues facing our industry

**Video Production (April)**
- Directed and produced opening video vignettes for the 16 “training” episodes
- Video vignettes revolve around the life of the “Powers” family and provide a “lean-in” moment
- Wrote the scripts for video vignettes
- 5-day production with local script writer/director, videographer and actors
- Video production with Benton PUD employees and events, recreate K8 outage (May)

**eLearning (April-June)**
- Piloted Episode 1
- Different than traditional eLearning
- Modeled after a Netflix series
- Episodes formatted with vertical scroll like scrolling through on an iPad

**Branding (March)**
- Developed a brand identity for the “training” series, including title, logo and color scheme consistent with Benton PUD’s brand
- Wrote and produced two jingle(s)

**NEOGOV Learn (May)**
- Submitted contract change order to deploy a learning management system (LMS)
- LMS has a user-friendly modern dashboard view
- LMS presents “training” content to employees
- LMS provides tracking and reporting of completion
Branding

Branding Identity:
• Modern
• Versatile
• Easily translated to various mediums, such as website & apparel

Employee feedback was solicited and incorporated into the final selection.

Jingle:
• Upbeat
• Catchy
• Inspirational

Two jingles were created to be incorporated into each episode.
Pilot Learner Feedback

“Absolutely love the intro video! I actually would have liked to see more, maybe learn with the family.” - Distribution Design Technician

“This is upbeat and fresh.” – Meterman

“Feels different from other trainings – not monotone. It’s exciting with videos that are not too long with the right amount of info.” - CSR

Liked the humor and that it is application-based. - Lineman
Rollout Plan

EmPOWERed Series

Watch streaming episodes live on intranet/EmPOWERed

See teasers with the cast

Hear the soundtrack

Schedule “on location” tours

And more…
Behind the Scenes
Strategic Target

Value People

1. Strive to Meet 21st Century Power Grid Expectations
2. Ensure Strong Financial & Operational Stewardship
3. Meet & Exceed Customer Expectations
4. Maintain Reliable, Environmentally Responsible & Least-Cost Power
Value People

Ensure Strong Financial & Operational Stewardship

Meet & Exceed Customer Expectations

Maintain Reliable, Environmentally Responsible & Least-Cost Power

Strive to Meet 21st Century Power Grid Expectations
Continuously improve electric service reliability and value.

**Strategic Goal:** Strive to Meet 21\textsuperscript{st} Century Power Grid Expectations

Strategically improve electric service reliability and value.

**Strategic Initiative:** Spaw-Phillips Transmission Line Project

**Spaw-Phillips Transmission Line Project**

- 16 miles of 115kV Transmission line
- $3.6mil Budget approved for 2020
- Will provide transmission reliability to both southeast Benton County and East Kennewick (Finley) Area
- Will provide alternate 115kV Source during contingencies
- Will improve the maintenance windows available to the District (widens them out)

**Executive Sponsor:** Steve Hunter  **Owner:** Evan Edwards
Strategic Goal: Strive to Meet 21st Century Power Grid Expectations

Strategic Initiative: Spaw-Phillips Transmission Line Project

- Initiated Contract with ECI Project Kickoff
- Developed Design Criteria
- Initial Route Design
- Developed Specifications (Geotech/Survey)
- Contracts for Geotech/Survey
- Geotech & Land Survey Begins
- 30% Line Design submittal and Review
- ECI Site Visit (route inspection)
- Topo Survey received
- Rec. Boundary Survey
- Begin Permitting
- 30% 115kV Brkr. Design Sub/Review
- 60% 115kV Brkr. Submittal
- ROW Procurement
- Public Meetings
- Labor Bid Process
- Labor Bid Review
- Labor Bid to Commission
- Begin Construction
- Complete Construction - Mid 2022

Timeline:
- Aug. 20'
- Sept. 20'
- Oct. 20'
- Nov. 20'
- Dec. 20'
- Jan. 21'
- Feb. 21'
- Mar. 21'
- April 21'
- May 21'
- Jun. 21'
- Jul. 21'
- Aug. 21'
- Sept. 21'
- Oct. 21'
- Nov. 21'
- Dec. 21'
- 2022
Completion of the SPAW-PHILLPS Transmission Line (Red) Ties Benton PUD’s Hedges Line (Blue) to Benton PUD’s Berrian Transmission Line (Yellow)
Strategic Initiative: Spaw-Phillips Transmission Line Project

Questions?