

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

Date: January 25, 2022

Time: 9:00 a.m.

Place: Via MS Teams, per Proclamation No. 20-28

Attendees:

Commissioners Hall, Sanders and Bush

General Counsel Hultgrenn

General Manager Dunn

Assistant General Manager Hunter

Senior Director of Finance and Customer Services Meyer

Director of Executive Administration Conover

Director of IT & Broadband Services Folta

Manager of Communications and Governmental Relations Henderson

Manager of Risk Management and Treasury Operations Mercer

Manager of Enterprise Optimization & Project Management Holbrook

Manager of Human Resources Dunlap

Manager of Accounting Zirker

Manager of Customer Service McAloon

Manager of Contracts & Purchasing Ochweri

Manager of Conservation & Renewable Energy Programs Johnson

Manager of System Engineering Edwards

Manager of Customer Engagement Sparks

Supervisor of Distribution Design Lang

Senior Engineer Scherer

Superintendent of Transmission and Distribution Inman

Cyber Security Engineer Holgate

Supervisor of Executive Administration/Clerk of the Board Marshall

Public:

Mr. Robin Rego

The Pledge of Allegiance was given.

Member of the Public, Mr. Robin Rego thanked District's Energy Services staff for their recent assistance with answering some questions related to Solar for Mr. Rego's church community.

Mr. Rego also thanked Assistant General Manager Hunter and Manager of Customer Service McAloon for their recent assistance with a District customer who was disconnected for nonpayment and in need of financial assistance.

Consent Agenda

Motion by Jeff Hall, seconded by Barry Bush to approve the Consent Agenda as follows:

- a) Approving Commission Meeting Minutes of January 11, 2022.
- b) Approving Travel Report dated January 25, 2022.
- c) Approving Annual Travel Report dated January 25, 2022.
- d) Approving Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing made available to the Commission. As of this date, the Commission does approve the following for payment: Accounts Payable: Automated Clearing House (DD) payments 89246-89297 in the total amount of \$1,216,962.03, Checks & Customer Refund payments (CHK) 83225-83293 in the total amount of \$312,863.73, Electronic Fund Transfer (WIRE) payments 6046-6061 in the total amount of \$1,918,744.79; Residential Conservation Rebates: Credits on Customer Accounts in the total amount of \$1,610.00; Payroll, Direct Deposit 1/6/2022 89092-89245 in the total amount of \$367,812.98, for a grand total of \$3,817,993.53.
- e) Approving conveying to the owners of record a portion of the BPUD easement under Auditor's File Number 749794, records of Benton County, Washington, located in Section 34, Township 09 North, Range 28 East, W.M. per customer request.
- f) Approving conveying to the owners of record a BPUD easement under Auditor's File Number 2021-006367, records of Benton County, Washington, located in Section 34, Township 9 North, Range 28 East, W.M. per customer request.
- g) Authorizing the General Manager on behalf of the District to sign Change Order #3 of Contract #21-46-01 with NoaNet, to increase the not-to-exceed amount by \$5,000.00; bringing the new not-to-exceed amount of the contract to \$2,365,882.00.

MOTION PASSED UNANIMOUSLY.

Report from Management

General Manager:

1. General Manager confirmed with Commissioners that he sent a letter last November to BPA requesting an option to change the District's purchase obligation from Slice to Load Following and that the contract conversion happen as early as October 1, 2023. General Manager indicated the District's request is beginning to be shared with other BPA customers and that he will forward a copy of his letter to Commissioners for their reference. BPA provided notice to other Slice customers of the District's request through a regular meeting of the Slice Implementation Group (SIG) and has requested other Slice customers notify them by March 31, 2022 if they would like to be considered for a possible Slice to Load Following contract conversion. BPA has indicated they expect to complete their analysis and will have an answer to the District's request by June 30, 2022. Commissioner Sanders requested further discussion of this topic during a future commission meeting.
2. General Manager reviewed a Lower Snake River Dams presentation he used as reference during a meeting on January 13th with Mr. Jeremiah Baumann, Deputy Chief of Staff to U.S. Energy Secretary Jennifer Granholm. The meeting was arranged by Northwest River

Partners and included three other representatives of BPA customers in addition to the General Manager. General Manager will forward a copy of the presentation to Commissioners.

3. General Manager was invited by Energy Northwest to participate in a January 25th meeting with Stephanie McBath who is Representative Newhouse's energy advisor.

4. General Manager reviewed highlighted portions of a recent PNUCC newsletter summarizing feedback received by the Northwest Power and Conservation Council regarding their draft power plan.

5. General Manager reviewed portions of a WECC 2021 Western Assessment of resource adequacy and highlighted this statement. "If long-term resource adequacy issues are not addressed immediately, they may be insurmountable when they become near-term issues. As early as 2025, even with all planned resource additions and imports, all five subregions will have hours at risk for load loss." General Manager will forward a copy of the summary to Commissioners.

6. General Manager reviewed several recent Clearing Up articles.

Manager of Communications and Governmental Relations

1. Manager provided a brief legislative summary and reviewed a few key bills the District is following.

2. Manager reviewed a draft resolution in support of hydropower, the Federal Columbia River Power System, and opposing breach of the lower Snake River dams that will be presented to APPA's Legislative & Resolution Committee in March for adoption. The District has signed on in support of the Resolution. Commissioner Lori Sanders is the District's representative for the APPA L&R Committee and confirmed her plans to attend the meeting.

3. Manager informed the Commission of a recent grant awarded to the Port of Benton by the Department of Commerce. A brief discussion was held on the plans the Port of Benton has for the grant award.

4. Manager provided a brief update on the Northwest RiverPartners social media campaign, which is receiving very positive responses from the community.

Manager of System Engineering:

1. Manager provided an update on a power transformer failure that occurred around Christmas time at the District's Patterson 2 substation near Patterson, WA. This transformer was placed in service in 1971 providing main pump deck power for a large irrigator customer. Staff were able to swap out a transformer from Prior 4 substation and replace with a spare transformer the District had on hand. Staff will return to a future commission meeting with a request to purchase a replacement spare transformer.

Director of IT & Broadband Services/Rich Nall, NoaNet:

1. Director of IT & Broadband Services introduced Mr. Rich Nall, NoaNet who provided an update on a recent Request for Proposal (RFP) that the Kennewick School District (KSD) issued requesting fiber-optic services to its school properties.

Mr. Nall provided a background on the current Benton PUD Broadband contract with KSD which is an up to 7-year contract to provide fiber services to 27 unique KSD locations. Recently KSD issued an RFP seeking competitive solicitation for these fiber services to which NoaNet, utilizing

Benton PUD Broadband facilities, submitted a very competitive response. While there were many respondents to the RFP, Mr. Nall stated that ultimately NoaNet was notified that Spectrum Enterprises was awarded the contract with KSD effective July 1, 2022. Mr. Nall informed the Commissioners that NoaNet is meeting with KSD this afternoon to discuss some of the aspects of the RFP award and NoaNet's proposal but does not think it will change the outcome of the contract award.

Mr. Nall then informed the Commissioners of NoaNet's plan to meet with Spectrum Enterprises to explore the possibility of being a sub-contractor to them by potentially offering a lease option for the use of Benton PUD's fiber-optic facilities to provide service to KSD.

A brief discussion was held. Staff and Mr. Rich Nall will return to a future commission meeting to provide an update on the fiber-optic services with KSD.

Senior Director of Finance & Customer Services

1. Senior Director provided a reminder that the COVID-19 customer assistance program will end on January 31, 2022.
2. Senior Director provided a high-level review of the accounts receivable reports that were included in the commission packet.

At 10:32 a.m., Commissioner Lori Sanders announced the commission meeting would recess for 13 minutes.

At 10:45 a.m., Commissioner Lori Sanders announced the commission meeting would reconvene into regular open session.

Business Agenda

Authorizing Insurance Premium Invoice per Resolution No. 2299

Manager of Risk Management and Treasury Operations recommended the Commission approve the Public Utility Risk Management Services (PURMS) invoice for the 2022 EIM and AEGIS Liability Policy.

Manager informed the Commission this invoice is in line with the estimate provided during a previous commission meeting, but Resolution No. 2299, Authorizing Payments of Insurance Premiums and Assessments authorizes the General Manager to approve payment of invoices up to \$250,000.00 related to insurance premiums and assessments but requires commission approval over \$250,000.

Motion by Jeff Hall, seconded by Barry Bush Approving the Public Utility Risk Management Service (PURMS) invoice dated 01/11/2022 for the 2022 EIM Liability Policy and the 2022 Aegis Liability Policy in the amount of \$320,691.71.

MOTION PASSED UNANIMOUSLY.

Commissioners held a brief discussion on Resolution No. 2299. Staff will return to a future commission meeting for additional discussions regarding Resolution No. 2299.

The Energy Authority, Contract No. 06-51-11, Contract Change Order #40

Manager of Conservation & Renewable Energy Programs reviewed the recommended motion to increase The Energy Authority’s contract by \$184,200.00 in substantially the form presented. Manager reviewed tasks The Energy Authority provides to the District each year.

Motion by Barry Bush, seconded by Jeff Hall Authorizing the General Manager on behalf of the District to sign Change Order #40 – Activity 2 – 2022 Consulting Task Order, of Contract #06-51-11, in substantially the form presented, with The Energy Authority, and increase the not-to-exceed amount of the contract to \$26,909,232.00.

Work Order 533530, Prosser Bay 1 Regulator Replacement

Manager of System Engineering reviewed the recommended motion approving work order #533530 for the replacement of the Prosser Bay 1 substation regulator.

Motion by Jeff Hall, seconded by Barry Bush Approving work order #533530 for the replacement of the Prosser Bay 1 substation regulator.

MOTION PASSED UNANIMOUSLY.

Contract Award Recommendation, 2000/2667 kVA Three Phase Substation Regulators.

Manager of System Engineering reviewed the recommended motion declaring Virginia Transformer non-responsive for line item 2 of bid package #21-21-147 – 2000/2667 kVA Three Phase Substation Regulators and award Virginia Transformer Line Item 1, in substantially the form presented, for a total of \$502,464.00 plus Washington State sales tax in accordance with RCW 54.04.080.

Manager reviewed the bid process and custom requirements for both line items. Due to the tightened specifications, Virginia Transformer was the only respondent for this bid and was able to provide firm fixed pricing for Line Item 1 but would not be able to meet the delivery date for line item 2. Staff recommend awarding only line item 1 and will go out for bid for line item 2 in second quarter 2022.

Motion by Jeff Hall, Barry Bush Declaring Virginia Transformer non-responsive for Line Item 2 of Bid Package #21-21-147 – 2000/2667 kVA Three Phase Substation Regulators and award Virginia Transformer- Line Item 1, in substantially the form presented, for a total of \$502,464.00 plus Washington State sales tax in accordance with RCW 54.04.080.

MOTION PASSED UNANIMOUSLY.

Recognition of Conflict of Interest Requirements, Code of Conduct Acknowledgement.

Clerk of the Board 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.

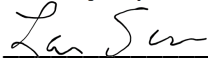
Commissioner Lori Sanders acknowledged her awareness of both RCW 42.23 requirements and the District’s Governance Policy No. 6 requirement. No comments were received.

Future Planning

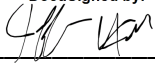
Commissioner Lori Sanders will be virtually attending the Energy Northwest Board Meeting on January 26, 2022.

Commissioners Jeff Hall and Lori Sanders have been listening into the WPUA weekly legislative update calls.

Hearing no objection, Commission President Lori Sanders adjourned the Commission Meeting at 11:05 a.m.

DocuSigned by:

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Lori Kays-Sanders, President

ATTEST:

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Jeffrey D. Hall, Vice-President