

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

Date: February 8, 2022

Time: 9:00 a.m.

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

Attendees:

Commissioners Sanders and Hall

General Counsel Dahlhauser

General Manager Dunn

Assistant General Manager Hunter

Senior Director of Finance and Customer Services Meyer

Director of Executive Administration Conover

Director of IT and Broadband Services Folta

Director of Power Management White

Manager of Communications and Governmental Relations Henderson

Manager of Risk Management and Treasury Operations Mercer

Manager of Accounting Zirker

Manager of Human Resources Dunlap

Manager of Contracts & Purchasing Ochweri

Manager of Enterprise Optimization & Project Management Holbrook

Manager of Customer Engagement Sparks

Manager of Conservation & Renewable Energy Programs Johnson

Manager of System Engineering Edwards

Supervisor of Distribution Design Lang

Senior Engineer Scherer

Superintendent of Transmission and Distribution Inman

Supervisor of Executive Administration/Clerk of the Board Manager Marshall

The Pledge of Allegiance was given.

Commissioner Lori Sanders excused Commissioner Barry Bush from today's commission meeting.

Treasurer's Report

Manager of Risk Management & Treasury reviewed the January 2022 treasurer's report. The Commission accepted the January Treasurer's Report. The Counterparty and Sector reports were included in the commission packet.

Consent Agenda

Motion by Jeff Hall, seconded by Lori Sanders 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 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 89450-89492 89494-89518 in the total amount of \$1,393, 181.89, Checks & Customer Refund payments (CHK) 83294-83357 in the total amount of \$480,650.11, Electronic Fund Transfer (WIRE) payments 6065-6081 in the total amount of \$7,180,536.08; Residential Conservation Rebates: Credits on Customer Accounts in the total amount of \$180.00; Payroll, Direct Deposit 1/20/2022 89298-89449 in the total amount of \$354,289.29 and 1/21/2022 89493-89493 for a total amount of \$792.44 for a grand total of \$9,409,629.81. Voided Direct Deposit in the total amount of \$1,125.00 and Voided Checks in the total amount of \$580.88 were also included in the report.
- d) Adopting Resolution No. 2593 declaring certain transformers, reclosers, regulators, switch cabinet and one power transformer surplus to District needs according to the laws of 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 Work Order 623022.
- f) Declaring WESCO/Anixter/Southwire and General Pacific, Inc., Line Item 1 non-responsive and award the contract for Line Item 1, for 252,450 feet of 795 Drake ACSR Conductor to American Wire Group, in the amount of \$954,261.00; award Line Item 2, for 99,050 feet of 6M Alumoweld Static/Messenger Wire to General Pacific, in the amount of \$23,867.59 plus Washington State sales tax in accordance with RCW 54.04.080.
- g) Authorizing the General Manager on behalf of the District to sign Contract Project Completion and Acceptance for Install Primary Overhead and Underground Distribution and Feeder in the new Ridgeline Underpass by Palouse Power, LLC, Contract #21-21-16, (CPO 54688), in the amount of 368,465.46 including tax.
- h) Approving conveying to the owners of record an easement recorded under Auditor's File Number 524507, records of Benton County, Washington, located in Section 7, Township 8 North, Range 30, W.M. per customer request.
- i) Reviewing Jobs Report for Commission.

MOTION PASSED.

Report from Management

General Manager:

1. General Manager provided a reminder of tomorrow's Large Irrigators virtual meeting and reviewed the topics planned for the meeting.
2. General Manager and Commissioner Lori Sanders are scheduled to meeting with Bob Schuetz, Energy Northwest CEO on February 17th at 3:30 p.m.
3. General Manager provided a brief update on the Bonneville Power Administration (BPA) post-2028 contract discussions and analysis going on within public power. Public Power Council

has developed a concept paper and General Manager informed the Commissioners that staff will review key points, graphs and staff's leaning during the next commission meeting.

4. General Manager reviewed "the four H's", Harvest, Hydro, Hatcheries, and Habitat and held a brief discussion on concerns he and others in the region have regarding harvest management.

Director of Power Management:

1. Director reviewed a brief presentation on the current state of the hydro forecast.

Manager of Communications and Governmental Relations:

1. Manager provided a brief legislative summary and reviewed a few key bills the District is still following. A brief discussion was held on the District's wildfire mitigation plan as it pertains to Senate Bill 5803 which would require utilities to develop fire mitigation plans based on best practices.

2. Manager will be presenting to the Southridge High School Environmental Science classes this Thursday, February 10, 2022. Due to COVID-19, in classrooms presentations were paused so staff are excited to be returning and presenting on the power grid, and fish and dams

Senior Director of Finance and Customer Services:

1. Senior Director reviewed the District's 2021 preliminary financials that can also be found on the District's website. The financials do not show the District's pension entry and staff plan to return to a future commission meeting to review with commissioners. Senior Director informed the Commissioners that Moss Adams will be on-site to review the District's 2021 preliminary financials next week with the audit continuing until the end of March. Senior Director reviewed the accounts receivable reports that were included in the commission packet. Senior Director reviewed the COVID-19 customer assistance program that has ended. Commissioner Lori Sanders requested staff forward the one-page summary to the Commissioners after all pledges have been paid on the COVID-19 customer assistance program. Commissioner Lori Sanders thanked staff for their work on this program which allowed the District to collaborate more with low-income groups within the community.

Business Agenda

Financial Forecast

Senior Director of Finance and Customer Services gave a Financial Forecast update presentation. A copy of the presentation can be found on the District's website.

At the conclusion of today's presentation, Senior Director reviewed staff's recommendations for agenda item 6b, Motion to change balances in the Designated Power Market Volatility Account, Special Capital Account, and the Undesignated Reserves.

Motion to change balances in the Designated Power Market Volatility Account, Special Capital Account, and Undesignated Reserves

A brief discussion was held with the Commissioners on the recommended motion and provided clarification to Commissioner Lori Sanders that this recommended motion is only rebalancing funds from the undesignated reserves, and not adding any additional funds.

Motion by Jeff Hall, seconded by Lori Sanders setting the unrestricted reserves fund account balances to the following: Designated Special Capital Fund \$9,365,672.96 amount; Power Market Volatility \$12,000,000.00; and the undesignated Reserves \$0.00.

MOTION PASSED.

Work Order 608670, McNary Point of Delivery

Manager of System Engineering reviewed the recommended motion to approve work order 608670. In 2020 the District entered into a construction agreement with Bonneville Power Administration (BPA) for the construction of a new 115kV point of delivery (POD) near the intersection of State Hwy 14 and US 395.

As part of the agreement, the District will install a new transmission switch and 0.25 miles of 115kV overhead transmission line to utilize the new point of delivery.

Motion by Jeff Hall, seconded by Lori Sanders approving work order 608670 for the design and construction of .25 miles of 115kV transmission line and switch installation in order to utilize the new McNary Point of Delivery being provided by BPA.

MOTION PASSED.

Performance Measurement – 4th Quarter 2021 Report

Senior Director of Finance and Customer Services and select staff reviewed the following performance measures; Telephone Service Level, Collections, Safety, Hiring Efficiency, Net Secondary Market Activity, and Enterprise Application Reliability.

2021 Strategic Plan Addendum – End of Year Progress Report

Director briefly reviewed the 2021 end of year progress report that was included in the commission packet and highlighted the 2021 commission work sessions completed.

General Manager reviewed staff's recommended 2022 commission work sessions; Grid Modernization, Demand Response, Demand Charge, Electrification, and Advanced Nuclear. Commissioners provided their feedback and Commissioner Lori Sanders requested a work session on Pump Hydro as opposed to Demand Charge.

Other Business

Commissioner Lori Sanders requested information on the primary and back-up power source being provided to the Vit Plant. General Manager provided an answer and stated he understands Hydropower is primary and diesel is back-up.

Future Planning

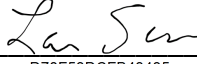
Commissioner Jeff Hall confirmed his virtual attendance for tomorrow’s Large Irrigator’s meeting.

Commissioner Lori Sanders announced that she would not be present for the March 8, 2022 commission meeting due to the APPA Legislative Rally and The Energy Authority meetings.

A brief discussion was held on the possibility of returning to in-person commission meetings on April 12, 2022.

General Manager informed the Commissioners of a need for an executive session during the February 22, 2022 commission meeting to review his performance evaluation. Director of Executive Administration will be scheduling meetings with each commissioner ahead of next commission meeting.

Hearing no objection, Commission President Lori Sanders adjourned the Commission Meeting at 10:45 a.m.

DocuSigned by:

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Lori Kays-Sanders, President

ATTEST:

DocuSigned by:

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Jeffrey D. Hall, Secretary