

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

Date: February 22, 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

Director of Power Management White

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

Supervisor of Executive Administration/Clerk of the Board Marshall

The Pledge of Allegiance was given.

Consent Agenda

Motion by Jeff Hall, seconded by Lori Sanders to approve the Consent Agenda as follows:

- a) Approving Commission Meeting Minutes of February 8, 2022.
- b) Approving Travel Report dated February 22, 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 89674-89731 in the total amount of \$1,622,533.26, Checks & Customer

Refund payments (CHK) 83358-83427 in the total amount of \$755,233.00, Electronic Fund Transfer (WIRE) payments 6083-6097 in the total amount of \$1,550,644.15; Payroll, Direct Deposit 02/03/2022 89519-89673 in the total amount of \$372,921.78, Checks 02/03/2022 Climbing Allowance 600139-600164 in the total amount of \$44,687.67, for a grand total of \$4,346,019.56. Voided Checks in the total amount of \$482.22 were also included in the report.

d) Approving work order 630608 for the replacement of primary underground cables located in the area between W 5th Ave & W 4th Ave just East of S Olympia Ave.

e) Approving conveying to the owners of record the BPUD easement recorded under Auditor's File Number 552608, records of Benton County, Washington, located in Section 17, Township 8 North, Range 29 East, W.M. per request of Rick Russum.

f) Reviewing Conservation Rebate Report for 4th quarter 2021.

MOTION PASSED UNANIMOUSLY.

Report from Management

General Manager:

1. Commissioners concurred with staff's recommendation to return to in-person commission meetings on March 22, 2022.
2. Commissioners Barry Bush and Jeff Hall confirmed their attendance for the March 8, 2022 commission meeting. Commissioner Lori Sanders will be absent.
3. General Manager informed the Commissioners the Northwest Power and Conservation Council (NWPPCC) approved the 2021 Power Plan during their February 16, 2022 meeting. A brief discussion was held.
4. The NWPPCC's February 16, 2022 meeting included an agenda item asking them to consider completing an analysis of what removal of the Lower Snake River Dams (LSRD) could mean for the Northwest's power grid. The NWPPCC expects to make a final decision on whether to move forward with the analysis during their March meeting.
5. General Manager reviewed a recent meeting he had with Darryll Olsen of the Columbia Snake River Irrigators Association (CSRIA). The meeting was focused on the controversial study commissioned by Governor Inslee and Senator Murray to consider ways to replace the benefits of the Snake River Dams if they are breached and on the CSRIA's deep pool drawdown proposal for Lower Granite and Little Goose dams. General Manger indicated he has submitted information to the consultants working on the Inslee/Murray study via their web site but that nobody from the consulting firms has contacted him directly.
6. A brief discussion was held on a recent email forwarded by WPUDA Director George Caan to Commissioners and General Managers at the request of Jim Waddell. Mr. Waddell is a commissioner at Clallam PUD who has long advocated for breaching of the Lower Snake River Dams in his capacity as a commissioner and as a founding member of the DamSense organization. Commissioners agreed WPUDA needs to discuss their policy regarding the dissemination of information, particularly when it runs contrary to formally adopted WPUDA positions.
7. General Manager reviewed the question he raised during the District's recent large irrigator customer virtual meeting regarding their interest in potentially dedicating some of their company's staff time to the development of federal and/or state grant proposals to study

the feasibility and possible benefits of pumped-storage hydropower in the Horse Heaven Hills. Staff sent an email following the customer meeting to solicit feedback and assess the level of interest. Up to this point, staff has received three responses with two customers being supportive and one not.

Director of Power Management:

1. Director gave a presentation on Bonneville Power Administration's Post-2028 Contract. Director provided a high-level overview of the PPC Concept Paper, System Size, System Allocation, Residential Exchange, and Irrigation Rate Discount.
2. Director provided BPA's quarterly business review update.

Manager of Communications and Governmental Relations

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

Assistant General Manager:

1. Assistant General Manager reviewed a recent outage that occurred on February 9, 2022, with the Angus-Franklin Transmission Line. Assistant General Manager informed the Commissioners about 12,000 customers were without power for 45 minutes.

Director of IT & Broadband Services:

1. Director provided an update on the recent Request for Proposal (RFP) issued by Kennewick School District (KSD) requesting fiber-optic services to its school properties, to which Spectrum was awarded the 10-year contract. NoaNet, using Benton PUD's fiber-optic facilities, is the incumbent services provider. Staff reached out to Spectrum to explore the possibility of offering a dark fiber lease option to utilize Benton PUD's fiber-optic facilities to provide the requested services; however, Spectrum has informed NoaNet that they are not interested in pursuing the lease option and would instead build out the fiber-optic facilities to serve KSD. The KSD contract change will represent an annual revenue loss to the Benton PUD Broadband business of approximately \$270,000 per year.

Senior Director of Finance & Customer Services

1. Senior Director provided a brief Moss Adams audit update.
2. Senior Director provided a review of the accounts receivable reports that were included in the commission packet.

At 10:22 a.m., Commissioner Barry Bush announced the commission meeting would recess for 10 minutes.

At 10:32 a.m., Commissioner Barry Bush announced the commission meeting would reconvene into regular open session.

Business Agenda

Rescinding Resolution No. 2299, Authorizing Payments of Insurance Premiums and Assessments

Manager of Risk Management and Treasury Operations recapped a previous discussion held during the January 25, 2022 commission meeting, which Commissioners recommended staff to return to a future commission meeting with a request to rescind Resolution No. 2299, Authorizing Payments of Insurance Premiums and Assessments since the District is contractually obligated to pay insurance premiums and assessments. Staff will continue to update the Commission of any changes, concerning trends, or large premiums or assessments on an annual basis or as the need arises.

Motion by Barry Bush, seconded by Jeff Hall rescinding Resolution No. 2299, Authorizing Payments of Insurance Premiums and Assessments.

MOTION PASSED UNANIMOUSLY.

Electricity Intensive Load Proposed Policy and Rate Schedule Edits

Staff have reviewed existing Electricity Intensive Load (EIL) policies and are recommending a change to the policies and rate schedules.

Senior Director reviewed proposed changes and red-lined documents that were included in the commission packet. Staff will return to the next commission meeting with a recommendation memo to set a Public Hearing for March 22, 2022.

Commissioners concurred with staff's recommendations.

Work Order 638807, Prior 4 Power Transformer Replacement

Manager of System Engineering informed the Commission he would be reviewing Agenda Item 5c, 5d, and 5e together.

Manager reviewed a brief presentation on the District's river system power transformers.

Work Order 638807, replacement of the Prior 4 power transformer will ensure the District has a spare 12/16/20MVA, 4.16kV transformer available for the river system in the event of a unit failure and prevents possibly tying up the District's Mobile Substation for an entire irrigation season.

Motion by Jeff Hall, seconded by Lori Sanders approving work order 638807 for the replacement of the Prior 4 power transformer.

MOTION PASSED UNANIMOUSLY.

Work Order 639055, 10/14/18 MVA Power Transformer Replacement

Work Order 639055, replacement of a 10/14/18 power transformer will ensure the District has a spare 2.4kV secondary transformer available for the river system in the event of a unit failure and prevents possibly tying up the District's Mobile Substation for an entire irrigation season.

Motion by Lori Sanders, seconded by Jeff Hall approving work order 639055 for the installation of a new 10/14/18 MVA power transformer.

MOTION PASSED UNANIMOUSLY.

Contract Award Recommendation – 2022 Substation Power Transformers – Bid Package #22-21-07

Manager of System Engineering reviewed the two-line items for Bid Package #22-21-07. A chart of the two-line items was included in the commission packet.

Motion by Lori Sanders, seconded by Jeff Hall awarding the contract for 2022 Substation Power Transformers, Bid Package #22-21-07, in substantially the form presented, to Virginia Transformer Corp. of Roanoke, VA, for the total amount of \$1,046,930.00 plus Washington State sales tax in accordance with RCW 54.04.080.

MOTION PASSED UNANIMOUSLY.

Bid Package #22-21-09, Single and Three Phase Transformers

Manager of System Engineering recommended the Commission reject all bids received for Bid Package #22-21-09, Single & Three Phase Transformers based on the bids submitted exceeded the Engineers Estimate by 15%. Three bids were received, and all exceeded the Engineer's Estimate by 15%. The District continues to see large fluctuations in the materials and labor markets.

Motion by Lori Sanders, seconded by Jeff Hall rejecting all bids received for Bid Package #22-21-09, Single & Three Phase Transformers based on the bids submitted exceeded the Engineers Estimate by 15%.

MOTION PASSED UNANIMOUSLY.

A brief discussion was held on the large fluctuations the District and other agencies are seeing in the materials and labor markets.

Future Planning

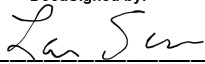
Commissioner Jeff Hall will be attending the APPA Legislative Rally in Washington DC. Commissioner Lori Sanders plans to attend the APPA Legislative Rally in Washington DC and The Energy Authority meetings in Florida.

Executive Session


At 11:10 a.m., Commissioner Barry Bush announced the commission meeting would go into Executive Session for 10 minutes to discuss the performance of a public employee.

At 11:20 a.m., Commissioner Barry Bush announced the commission meeting would reconvene into regular open session.

Hearing no objection, Commission Vice-President Barry Bush adjourned the Commission Meeting at 11:23 a.m.

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Lori Kays-Sanders, President

ATTEST:

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Jeffrey D. Hall, Secretary