

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

Date: March 8, 2022

Time: 9:00 a.m.

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

Attendees:

Commissioners Sanders, Bush and Hall

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 Power Management White

Manager of Communications and Governmental Relations Henderson j

Manager of Risk Management and Treasury Operations Mercer

Manager of Accounting Zirker

Manager of Human Resources Dunlap

Manager of Contracts & Purchasing Ochweri

Manager of Customer Service McAloon

Manager of Business Applications 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

Supervisor of Executive Administration/Clerk of the Board Manager Marshall

The Pledge of Allegiance was given.

Treasurer's Report

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

Consent Agenda

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

- a) Approving Commission Meeting Minutes of February 22, 2021.
- b) Approving Travel Report dated January 11, 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 89886-89964 in the total amount of \$842,487.86, Checks & Customer Refund payments (CHK) 83428-83486 in the total amount of \$252,328.01, Electronic Fund Transfer (WIRE) payments 6100-6114 in the total amount of \$4,932,240.16; Payroll, Direct Deposit 89732-89885 in the total amount of \$375,227.33 for a grand total of \$6,402,283.36.

d) Authorizing the General Manager on behalf of the District to sign Contract Completion and Acceptance for Wood Pole Inspection by Pacific Pole Inspection, LLC for Contract #16-22, in the amount of \$112,691.80 including tax.

e) Awarding the contract for Western Red Cedar Transmission Poles, Bid Package #22-21-18 to Stell-Jones Corporation of Tacoma, WA for the total amount of \$640,953.00 plus Washington State sales tax in accordance with RCW 54.04.080.

MOTION PASSED UNANIMOUSLY.

Report from Management

General Manager:

1. General Manager confirmed the District's plan to return to in-person commission meetings on March 22, 2022. A virtual option will continue to be available.
2. General Manager reminded commissioners of Dan Hultgren's plans to retire March 31st and that his last commission meeting with the District will be on March 22, 2022.
3. General Manager was contacted by Jim Kramer who is one of the consultants working on the Inslee/Murray Lower Snake River Dams (LSRD) replacement study. Mr. Kramer requested a meeting on March 9, 2022 to discuss the energy services provided by the LSRD.
4. The Public Power Council (PPC) has developed a new forum of elected leaders, called FUEL. The first meeting is scheduled to take place on March 11, 2022 at 10:00 a.m. and is open to all PPC members but focused on elected leaders. General Manager will forward the meeting information to the Commissioners.
5. General Manager provided a brief update on his participation in the Columbia Basin Collaborative (CBC) and a charter the group has developed to guide future efforts. The next CBC meeting will take place on March 29, 2022.
6. General Manager provided an update on the question staff sent via email to the District's large irrigator customers regarding interest in studying the potential for pumped-storage hydropower in the Horse Heaven Hills. The proposal is to fund a study through federal and/or state grants with involvement by Pacific Northwest National Laboratories and possibly Energy Northwest. Up to this point, staff has received three responses with two customers being supportive and one not. Manager of Customer Engagement is planning to reach out to the large irrigators a second time to solicit feedback and make a final assessment of the level of interest.

Director of Power Management:

1. Director informed the Commissioners of the State Auditor's plans to conduct their entrance conference for the CETA and EIA Conservation and Renewable Audits. The EIA audits have been in place for several years, but this will be the first year for the CETA audits. The Commissioners requested staff provide an update on the entrance conference at a future commission meeting.
2. The District is exploring Solar resources and the possibility to participate in a couple local projects; one in North Richland and another in South Benton County. The District has signed a non-disclosure agreement for both local projects so staff are unable to provide much detail at this point. The General Manager also mentioned that District staff had lunch with representatives from Grant PUD and Energy Northwest regarding the X-Energy project. Staff will continue to keep the Commissioners updated on these projects.
3. Director provided a brief Hydro Forecast update.

Director of Executive Administration:

1. The District has hired Derek White, Security Program Manager. Mr. White will plan to attend the March 22, 2022 commission meeting to meet the Commissioners. Commissioner Lori Sanders asked a question regarding the opening within the Communications department. General Manager informed the Commissioners that Dawn Stringer has left the District.
2. Manager of Communications & Governmental Relations provided a brief legislative summary and reviewed a few key bills the District is still following. A brief discussion was held on proposed changes to the state commercial energy code the Washington State Building Code Council is considering. Commissioner Lori Sanders informed the District of her personal involvement with the State's Building Code Council, and believes the council should have a utility representative. Manager will explore more about the Council and its make-up and provide an update at a future commission meeting.

Manager of Business Applications:

1. Manager provided an update on the recent Request for Proposal (RFP) issued by Kennewick School District (KSD) requesting fiber-optic services to its school properties. Spectrum was originally awarded the contract with KSD but could not come to terms for a contract, so KSD has now awarded the contract to the number two bidder, Zippy Fiber. NoaNet was number three. Staff will continue to keep the Commissioners updated on this contract.
2. Manager provided a brief Cyber Security update.

Senior Director of Finance and Customer Services:

1. Senior Director provided an update on the District's auditorium's policy and re-opening to the public. Staff is proposing re-opening the rental of the auditorium to the public on April 1, 2022 during District business hours. Commissioners concurred with staff's recommendation. A brief discussion was held on updates to the auditorium.
2. Senior Director reviewed accounts receivable reports that were included in the commission packet.

Business Agenda

Bid Package No. 22-21-08, Spaw-Phillips Ductile Iron Poles

Manager of System Engineering reviewed Bid Package No. 22-21-08, Spaw-Phillips Ductile Iron Poles, that would be used in areas where it can be hard to replace poles and would be installed at locations adjacent to each other or adjacent to wood poles currently on order.

By acquiring these transmission poles, the District will be able to continue forward with the construction of the Spaw-Phillips transmission line project with minimal impacts to scheduling.

A brief discussion was held on the pricing and engineer's estimate, due to the current price escalation in materials.

Motion by Barry Bush, Seconded by Jeff Hall rejecting lines 1-33 and 46 received for Bid Package #22-21-08, Spaw-Phillips Ductile Iron Poles based on the lines bid exceeded the Engineers Estimate by 15%; awarding lines 34-45 to McWane Poles for a total not to exceed amount of \$109,400.16 plus Washington State sales tax in accordance with RCW 54.04.080. MOTION PASSED UNANIMOUSLY.

Set Public Hearing on Proposed Edits to Rate Schedules & Customer Service Policies Related to Electricity Intensive Loads

Senior Director of Finance and Customer Services recommended the Commission set a Public Hearing for March 22, 2022, at 8:30 a.m., to review proposed edits to rate schedules & customer service policies related to Electricity Intensive Loads. During the Public Hearing staff plan to review the proposed edits to the current electric rates and customer service policies which are specifically related to electricity intensive loads and will allow for public input and comment.

Motion by Jeff Hall, seconded by Barry Bush setting a Public Hearing for March 22, 2022, at 8:30 a.m., to be held at the District's Administration Office located at 2721 West 10th Avenue, Kennewick, Washington and accessible via MS Teams conference call at 1-469-998-5874, conference ID 399 886 949# for proposed edits to rate schedules & customer service policies related to Electricity Intensive Loads and requesting the General Manager to provide notice of such public hearing as required by law. MOTION PASSED UNANIMOUSLY.

Other Business

Commissioner Lori Sanders requested additional information regarding the website inquiry that was received last week. Senior Director of Finance and Customer Services provided the Commission with more information and informed them that this inquiry has been resolved.

Future Planning

A brief discussion was held regarding Governor Jay Inslee's recent visit to the Tri-Cities and his comments made on the Horse Heaven Hills wind project.

General Manager informed the Commissioners of a meeting he is attending as an Advisor on Friday, March 11, 2022 regarding the Horse Heaven wind project.

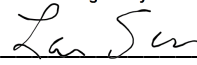
Meeting Reports

Commissioner Lori Sanders was unable to attend last week's APPA legislative Rally meetings due to personal issues.

Commissioner Jeff Hall provided a brief report on the APPA Legislative Rally meetings.

Commissioner Lori Sanders requested staff continue to provide an MS Teams capability option for District commission meetings.

Hearing no objection, Commission President Lori Sanders adjourned the Commission Meeting at 10:09 a.m.

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Lori Kays-Sanders, President

ATTEST:

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Jeffrey D. Hall, Secretary