

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

Date: April 26, 2022

Time: 9:00 a.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Attendees (in person):

Commissioners Hall, Sanders and Bush

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 Power Management White

Manager of Communications and Governmental Relations Henderson

Manager of Risk Management and Treasury Operations Mercer

Manager of Accounting Zirker

Manager of Contracts & Purchasing Ochweri

Manager of System Engineering Edwards

Power and Energy Programs Analyst Durham

Supervisor of Executive Administration/Clerk of the Board Marshall

Attendees (virtual):

Manager of Human Resources Dunlap

Manager of Customer Service McAloon

Manager of Conservation & Renewable Energy Programs Johnson

Superintendent of Transmission & Distribution Inman

Supervisor of Distribution Design Lang

Senior Engineer Scherer

Superintendent of Operations Szendre

Electrical Engineer Vanfosson

Guests (virtual):

Jared Brownson, Moss Adams

Keith Simovic, Moss Adams

The pledge of allegiance was given.

Audit Exit Conference for 2021 Financial Audit

Manager of Accounting introduced Keith Simovic and Jared Brownson of Moss Adams, in attendance by MS Teams to present the Commission with the final audit results of the 2021

financial statement audit. An overview of the audit was reviewed, and the District has received an unmodified (clean) opinion on its financial statements.

Consent Agenda

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

- a) Approving Commission Meeting Minutes of April 12, 2022.
- b) Approving Travel Report dated April 26, 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 90597-90623 90800-90833 in the total amount of \$1,166,234.74, Checks & Customer Refund payments (CHK) 83626-83697 in the total amount of \$921,421.68, Electronic Fund Transfer (WIRE) payments 6162-6176 in the total amount of \$761,855.55; Residential Conservation Rebates: Credits on Customer Accounts in the total amount of \$780.00; Payroll, Direct Deposit 04/14/2022 90624-90799 in the total amount of \$490,637.24, for a grand total of \$3,340,929.21. Voided Checks in the total amount of \$177.68 were also included in the report.
- d) Adopting Resolution No. 2598 declaring certain transformers and switch cabinets surplus to District needs according to the laws of the State of Washington, Title 54, RCW 54.16.180, and authorizing the General Manager, on behalf of the District, to dispose of same.
- e) Adopting Resolution No. 2599 declaring certain equipment surplus to District needs according to the laws of the State of Washington, Title 54, RCW 54.16.180, and authorizing the General Manager, on behalf of the District, to dispose of same.
- f) Reviewing 2022 Internal Audit Plan and Report on 2021 Internal Audits.
- g) Approving work order 631649 for the installation of underground primary electric facilities to serve Sunridge Subdivision consisting of 141 lots located east of South Sherman St and south of Ridgeline Dr.
- h) Authorizing the General Manager on behalf of the District to sign Project Completion and Acceptance for Electric Utility Tree Pruning Vegetation Management for the District (5th & final year) by Boyd's Tree Service, LLC, Contract #16-21, (CPO #50315), in the amount of \$785,514.04.
- i) Authorizing the General Manager on behalf of the District to sign Change Order #7 of Contract #16-33-02 with Benton County Emergency Services (BCES), to increase the not-to-exceed amount by \$38,228.76 for 2022; bringing the new not-to-exceed amount to \$179,260.80.
- j) Authorizing the General Manager on behalf of the District to sign a one-year contract with CompuNet, Inc., Contract #22-15-01, (State Contract #05819), to procurement of Cisco computing equipment and hardware support services for a not-to-exceed amount of \$474,000.00.
- k) Reviewing Quarterly Broadband Service Orders Report to Commission.
- l) Reviewing Quarterly Contract Activity Report to Commission.

MOTION PASSED UNANIMOUSLY.

Report from Management

General Manager:

1. General Manager provided an update regarding Uranium supply issues and how they may affect proposed development of advanced nuclear power reactors. General Manager reviewed a news article “TRISO-X Submits First Ever High-Assay Low-Enriched Uranium (HALEU) Fuel Fabrication Facility License Application to the Nuclear Regulatory Commission”. TRISO-X has applied to build a HALEU facility in Oak Ridge, TN which would establish the supply chain for X-Energy. General Manager notified Commissioners of the Fueling Our Nuclear Future Act of 2022 proposed by Senator John Barrasso (R., Wyo.) which aims to ensure a domestic supply of HALEU for advanced nuclear reactors. General Manager informed the Commission he would be virtually attending a Small Modular Reactor (SMR) discussion hosted by Clearing Up after today’s commission meeting.
2. The Public Power Council (PPC) is hosting an Ice Harbor Dam tour in June. Commissioner Lori Sanders stated she plans to participate in the tour.
3. OCOChem operating as AirCapture LLC has been awarded a \$3 million grant from the US Department of Energy to construct an advanced direct air capture (DAC) system at Nutrien’s Kennewick Fertilizer Operations facility. The DAC will separate carbon dioxide from ambient air and convert the carbon dioxide into value-added chemicals. The project will take place over the next few years and will result in about 3 to 5 average megawatts of annual energy consumption. A brief discussion was held on the District retail rate that would apply to the new electrical load.
4. General Manager reviewed a recent California ISO Western Energy Imbalance Market (EIM) fact sheet and informed the Commission of Bonneville Power Administration’s (BPA) plans to begin operating in the EIM in May.
5. General Manager reviewed highlighted portions of two recent Clearing Up articles; *“Data Provides No Clear Juvenile Survival Trends from Spill”* and *“CRITFC Develops Vision for Fish, Energy in Columbia Basin”*.
6. General Manager reviewed a letter the District has signed on to written by Pacific Northwest Waterways opposing the inclusion of a proposed Lower Snake River Dams breaching study in the U.S. Army Corps of Engineers “2022 Report to Congress on Future Water Resources Development”. General Manager will forward a copy of the letter to Commissioners.
7. General Manager reviewed portions of a letter sent to State officials regarding recommendations for the 2022 Joint Stakeholder Meeting convened by the Department of Commerce and the Utilities and Transportation Commission to discuss resource adequacy. The letter was co-signed by the Washington PUD Association (WPUDA), PNGC Power, Washington Rural Electric Cooperative Association, and Public Generating Pool.
8. General Manager provided updates from a recent meeting District staff had with City of Kennewick staff.

At 10:09 a.m., Commissioner Lori Sanders announced the commission meeting would recess for 11 minutes.

At 10:20 a.m., Commissioner Lori Sanders announced the commission meeting would reconvene into regular open session.

Director of Power Management:

1. Director gave a brief power supply update presentation.
2. Director gave a presentation on BPA's proposed update to firm Hydro.
3. Director provided information on BPA's request for offer to sell up to 200 MW for November 2022 through March 2023 and June 2023 through September 2023.

Director of Executive Administration/Manager of Communications and Governmental Relations:

1. Manager provided an update from a recent State Building Code Council meeting. During the meeting, the Council adopted three new building codes that would apply to new construction or system replacements for commercial businesses; requires electric heat pumps, electric heat-pump water heater, and requires an electrical connection next to the gas supply for appliances. No new codes were adopted for residential. A brief discussion was held on the new codes.
2. Director reviewed the 2022 commission work sessions staff are proposing. The commission work session on Grid Modernization will take place on May 10, 2022. Currently staff are proposing a Demand Response work session for September 13, 2022 and Advanced Nuclear work session for October 25, 2022. A brief discussion was held on the topics for these work sessions.

Assistant General Manager:

1. Assistant General Manager shared photos of Rattlesnake Mountain taken by District crews that showed the damaged poles caused from the snowstorm which occurred at the beginning of April 2022. Assistant General Manager informed the Commissioners of the temporary solution the District has in place, and discussed the permanent solution the District is proposing.
2. Assistant General Manager informed the Commissioners that BPA is currently reviewing their Wildfire Mitigation and Power Supply Shut off plan. Assistant General Manager informed the Commissioners the District's service area is not affected in this plan.

Senior Director of Finance & Customer Services:

1. Senior Director reviewed financial and accounts receivable reports that were included in the commission packet.

Business Agenda

Resolution No. 2600, Ten-Year Load and Customer Forecast 2022-2031

Director of Power Management introduced Power and Energy Programs Analyst Paul Durham.

Power and Energy Program Analyst gave a presentation on the Ten-Year Load and Customer Forecast 2022-2031.

Motion by Barry Bush, seconded by Jeff Hall adopting Resolution No. 2600, Ten-Year Load and Customer Forecast 2022-2031.

MOTION PASSED UNANIMOUSLY.

Bid Package #22-21-37, Contract Award Recommendation, Spaw-Phillips – Ductile Iron Poles

Manager of System Engineering reviewed a map displaying the Spaw to Phillips transmission line project. Manager informed the Commissioners that most of the material has been purchased for this project, and today’s contract award recommendation for Ductile Iron Poles is for the Spaw to Phillips transmission line project.

Manager recommended the Commission approve today’s motion by awarding the contract for Spaw-Phillips – Ductile Iron Poles, Bid Package #22-21-37, to McWane Poles, of Coshocton, OH, for the total amount of \$717,208.18 plus Washington States sales tax in accordance with RCW 54.04.080.

Motion by Jeff Hall, seconded by Barry Bush awarding the contract for Spaw-Phillips – Ductile Iron Poles, Bid Package #22-21-37, to McWane Poles, of Coshocton, OH, for the total amount of \$717,208.18 plus Washington States sales tax in accordance with RCW 54.04.080.

MOTION PASSED UNANIMOUSLY.

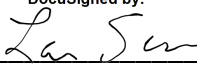
Meeting Reports

Commissioner Lori Sanders reported on a recent sustainability meeting she attended.

Commissioner Jeff Hall reported on a recent WPUDA meeting he attended.

General Manager reported on a recent BPA Provider of Choice meeting attended by staff.

Hearing no objection, Commission President Lori Sanders concluded the Commission Meeting at 11:51 a.m.

DocuSigned by:

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Lori Sanders, President

ATTEST:

DocuSigned by:

Jeffrey D. Hall, Secretary