

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

Date: May 24, 2022

Time: 9:00 a.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Attendees (in person):

Commissioner 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 IT & Broadband Services Folta

Director of Power Management White

Manager of Risk Management and Treasury Operations Mercer

Manager of Customer Engagement Sparks

Manager of Contracts & Purchasing Ochweri

Manager of Human Resources Dunlap

Security Program Manager White

Supervisor of Distribution Design Lang

Supervisor of Executive Administration/Clerk of the Board Marshall

Attendees (virtual):

Commissioner Sanders

Manager of Human Resources Dunlap

Manager of Customer Service McAloon

Manager of Conservation & Renewable Energy Programs Johnson

Manager of Communications and Governmental Relations Henderson

Manager of Business Applications Holbrook

Manager of Conservation & Renewable Energy Johnson

Superintendent of Transmission & Distribution Inman

Manager of Accounting Zirker

Guests (in-person):

Michelle Holt, Benton Franklin Council of Governments

Rich Nall, NoaNet

Tonya Tier, NoaNet

The pledge of allegiance was given.

Commissioner Barry Bush excused Commissioner Jeff Hall from today's meeting due to his attendance at the NWPPA Annual Meeting. Commissioner Barry Bush announced that Commissioner Lori Sanders is attending today's meeting by remote attendance.

Commissioner Barry Bush recognized General Manager Rick Dunn for his 15 years of service with the District.

Benton Franklin Council of Governments Update

Michelle Holt, Executive Director with Benton Franklin Council of Governments (BFCOG) attended today's commission meeting and gave a presentation on the Benton Franklin Council of Governments.

Commissioner Lori Sanders requested District staff review the Benton PUD Rural Economic Development Revolving Loan Fund that is administered by BFCOG.

Consent Agenda

Motion by Lori Sanders, seconded by Barry Bush to approve the Consent Agenda as follows:

- a) Approving Commission Meeting Minutes of May 10, 2022.
- b) Approving Travel Report dated May 24, 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 91062-91085 91241-91274 in the total amount of \$1,340,805.68, Checks & Customer Refund payments (CHK) 83770-83843 in the total amount of \$302,664.84, Electronic Fund Transfer (WIRE) payments 6194-6209 in the total amount of \$7,075,966.05; Residential Conservation Rebates: Credits on Customer Accounts in the total amount of \$450.00; Payroll, Direct Deposit 05/12/2022 91086-91240 in the total amount of \$386,565.33, for a grand total of \$9,106,451.90. Voided Direct Deposit (DD) in the total amount of \$206,745.49 were also included in the report.
- d) Adopting Resolution No. 2601, Amending Nonstandard Discretionary Compensation and Benefits.
- e) Approving Resolution No. 2602, adopting a one-time schedule change to a regularly scheduled meeting of the Commission of Public Utility District No. 1 of Benton County.
- f) Reviewing Community Engagement Update, 2021.
- g) Approving conveying to the owners of record a BPUD easement under Auditor's File Number 2006-017120, records of Benton County, Washington, located in Section 12, Township 08 North, Range 28 East, W.M. per customer's request.
- h) Approving work order 650807 to upgrade underground cable to 3-phase 1/0 underground primary to provide capacity needed to serve Agri NW storage shed service upgrades. This is located at Agri NW Riverbend Farm, South of Nine Canyon Road and Coffin Road intersection and fed from Irrigro Distribution System.
- i) Authorizing the General Manager on behalf of the District to sign Change Order #1 of Contract #21-22-05 with GI Consulting & Design, LLC, to extend the term of the contract to

December 31, 2022 and increase the not-to-exceed amount by \$60,000.00; bringing the new not-to-exceed amount to \$120,000.00.

MOTION PASSED UNANIMOUSLY.

Report from Management

General Manager:

1. General Manager reviewed highlighted portions of two clearing up articles; *NERC Summer Reliability Risk* and *CAISO Summer Outlook Better than 2021*.
2. Washington State's largest solar project is being planned for a site northeast of Sunnyside with construction expected to begin as early as 2024. The project is rated for 470-megawatts and will cover 5,852 acres with over 1.5 million individual panels (assuming 300 watts per panel).
3. General Manager informed the Commission of several upcoming speaking engagements he is participating in; Western Caucus Foundation is hosting a boat tour of Ice Harbor lock and dam on June 1st; Washington Policy Center is hosting an event at Anelare winery in Kiona (near Benton City) on June 9th; and the regular meeting of the Tri-Cities Local Business Association (TCLBA) (now doing business as the Clean Energy Supplier Alliance) on July 13th.

Director of Power Management:

1. Director provided an update regarding the District's process of converting its existing Bonneville Power Administration (BPA) Point-to-Point transmission contract to a Network Integration (NT) transmission contract. District staff has completed an analysis of this conversion which is estimated to result in annual cost savings of approximately \$220,000. The NT transmission contract also provides a higher level of scheduling priority. Staff plans to bring a recommendation to the next commission meeting to sign a contract with BPA for this service conversion that would go into effect in October 2023.
2. Director provided an update on BPA's Request for Offers (RFO) in order to sell a portion of surplus power and capacity during the upcoming winter and summer months. The District was not awarded for its bid, and Director reviewed the terms of the bid awarded to a non-preference customer awarded bid that was offered to preference customers. The awarded bid was significantly higher than the District's bid for the summer months.

Director of Executive Administration:

1. Director informed the Commission that District offices will have a delayed opening to the public on Thursday, June 9th at 10:00 a.m. District employees will be attending the launch of the Empowered program from 7:00 a.m. – 9:00 a.m. that morning.

Senior Director of Finance & Customer Services:

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

At 10:04 a.m., Commissioner Barry Bush announced the commission meeting would recess for 11 minutes.

At 10:15 a.m., Commissioner Barry Bush announced the commission meeting would reconvene into regular open session.

Business Agenda

Broadband Business Update

Director of Information Technology & Broadband Services and Mr. Rich Nall, NoaNet gave a Broadband Business Update presentation.

Director and Mr. Nall reviewed the 2022 year-to-date Broadband Business performance including the status of current construction projects, service order renewals, financial forecast and proforma, and a small cell deployment update. Director then provided an update on several items discussed at the May NoaNET Board of Directors meeting.

General Manager thanked Director of Information Technology & Broadband Services and Mr. Rich Nall and Ms. Tonya Tier for today's presentation.

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

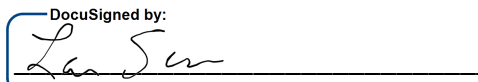
Enterprise Risk Management Update

Senior Director of Finance and Customer Services discussed the 2022 top tier risks as identified by the Enterprise Risk Management (ERM) committee. Senior Director informed the Commission of five risks that will be focused on. Senior Program Manager reviewed focus risk, Enterprise Physical Security Plan. Assistant General Manager reviewed focus risk, Wildfire Mitigation Plan. Director of Executive Administration reviewed focus risks; Rapidly Declining Support for Hydropower, and Ongoing Assault on the Public Power Business Model. Manager of Contracts & Purchasing reviewed focus risk, Supply Chain.


Quarterly Strategic Planning Initiative Updates: Customer Satisfaction Survey

Manager of Customer Engagement gave a presentation on the Customer Satisfaction Survey. This strategic initiative falls under the strategic goal, Meet & Exceed Customer Expectations.

Hearing no objection, Commission Vice-President Barry Bush concluded the Commission Meeting at 11:20 a.m.

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Lon Kay Sanders, President

ATTEST:

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Barry A. Bush, Vice-President