

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

Date: June 28, 2022

Time: 9:00 a.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Attendees (in person):

Commissioner Sanders and Bush

General Counsel Dahlhauser

General Manager Dunn

Assistant General Manager Hunter

Director of Executive Administration Conover

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 Conservation & Renewable Energy Programs Johnson

Manager of Communications and Governmental Relations Henderson

Manager of Business Applications Holbrook

Manager of Human Resources Dunlap

Manager of System Engineering Edwards

Supervisor of Distribution Design Lang

Customer Service Programs Specialist Timmerman

Supervisor of Executive Administration/Clerk of the Board Marshall

Attendees (virtual):

Security Program Manager White

Manager of Customer Service McAloon

Superintendent of Transmission & Distribution Inman

Senior Engineer Scherer

Applications Analyst Nielsen

Cyber Security Engineer Holgate

The pledge of allegiance was given.

Commissioner Lori Sanders excused Commissioner Jeff Hall from today's meeting.

No public comment was received.

Consent Agenda

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

- a) Approving Commission Meeting Minutes of June 7, 2022.
- b) Approving Travel Report dated June 28, 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 91512-91541 91698-91748 in the total amount of \$2,018,974.53, Checks & Customer Refund payments (CHK) 83945-84013 in the total amount of \$276,431.85, Electronic Fund Transfer (WIRE) payments 6228-6245 in the total amount of \$874,688.73; Residential Conservation Rebates: Credits on Customer Accounts in the total amount of \$1,630.00; Payroll, Direct Deposit 06/09/2022 91542-91697 in the total amount of \$393,770.90, for a grand total of \$3,565,496.01. Voided Checks in the total amount of \$643.76 were also included in the report.
- d) Approving work order 649080 for the installation of underground primary electric facilities to serve Harvest Ridge Phase 1 subdivision consisting of 42 one-acre residential lots. This is located north of Reata Road and east of Dallas Road.
- e) Authorizing the General Manager on behalf of the District to sign Change Order #1 of Contract #21-18-07, in substantially the form presented, with Falcon Software Company, to extend the term of the contract to March 31, 2023 and increase the not-to-exceed amount by \$165,500.00; bringing the new not-to-exceed amount to \$223,850.00.
- f) Authorizing the General Manager on behalf of the District to sign a three-year contract with Moss Adams, LLP, Contract #22-14-01, to perform Audit Services for a not-to-exceed amount of \$62,300 for 2022, \$63,975 for 20223 and \$65,650 for 2024 for a total of \$191,925 with an expiration date of June 30, 2025.

MOTION PASSED UNANIMOUSLY.

Report from Management

General Manager:

1. General Manager reviewed highlighted portions from a recent Seattle Times article, *Dam Politics: Why public utilities are pouring cash into the campaign to support Lower Snake River dams.*
2. A discussion was held on the Murray-Inslee process and the draft report released on June 9, 2022. General Manager reviewed staff's initial thoughts on the report and informed the Commission of the District's plans to provide comments on the report. Comments are due by July 11th.
 - a) The Public Power Council (PPC) previously requested a special dues assessment to have a study completed on what it would look like if the Lower Snake River Dams were breached. PPC has provided feedback for utility members to use when providing comments back on the Murray-Inslee Report.
 - b) General Manager reviewed the proposed articles that will be published in the next District newsletter. A discussion was held on the method for distribution of the newsletter to District customers.

c) General Manager reviewed portions of an article published by a staff reporter for The Center Square in which reference was made to an email originating from Governor Inslee's campaign warning of blackouts, destruction, and death due to extreme weather and a fragile electrical grid. All the while the governor continues to promote the notion that Lower Snake River Dams could be removed.

3. The PPC has worked with Bonneville Power Administration (BPA) and the Native Fish Society to lobby Congress to deauthorize power production at the Willamette Basin dams. After some stalling by the U.S. Army Corps of Engineers it looks like recent additions to legislation will ensure the studies necessary to support deauthorization will be completed in time for Congress to take final steps in 2024. Once complete, this effort will avoid roughly \$1 billion in BPA power customer repayment responsibility for capital investments at the Willamette projects.

4. General Manager reviewed an email sent to PPC members from Scott Simms, Executive Director for PPC, regarding private equity firm Blue Wolf's continued attempts to secure a subsidized power supply contract from BPA's Federal resources in order to restart the Intalco aluminum smelter in Ferndale, WA. The email stated that this would be an illegal deal and urged PPC members to reach out to the entire Washington State congressional delegation who wrote BPA urging "good faith negotiations" to restart the plant. Additionally, Governor Inslee called DOE Secretary Granholm on the issue. The Commissioners concurred with staff's recommendation to weigh in on the potential deal and did not have any concerns with the District providing strong opposition to Blue Wolf's efforts.

5. An update was provided on the District's request to BPA to transition to a load-following contract as early as October 1, 2023. The request has been processed and approved by BPA for the District and five other utilities to make the change if they desire. A public comment period is scheduled to close June 30th. Franklin PUD has registered opposition to the contract change; Northwest Requirements Utilities and the Western Public Agencies Group registered support; and Pacific Northwest Generating Cooperative commented they would not oppose this option.

6. General Manager provided an update on the Western Resource Adequacy Program (WRAP) and the monthly capacity deficits the District would have to cover if we were to move forward with participation in the binding program. The WRAP team has released results of their analysis of effective capacity contributions (referred to as Qualifying Capacity Contributions) that will be allowed for various generating resources, including the Nine Canyon and White Creek wind farms which were assigned a range of effective load carrying capability (ELCC) of between 6% and 12% and 7% and 14% respectively. These low values are what staff expected.

Director of Power Management:

1. Director gave a Power Supply update presentation.

Manager of Communications & Governmental Relations

1. Manager provided an update on the District's EmPOWERed program. 94 employees have enrolled in the program, and 92 employees have completed the first episode.

2. Manager attended the FWEE Hydropower and STEM Academy held at Rocky Reach Dam. The academy is a week-long program for high-school students who, at the completion of

the program, would receive college credit through a local college. Manager attended the program and is hopeful the District can bring something similar to Benton County.

3. Manager informed the Commission the District is sponsoring the Fourth of July River of Fire fireworks show next week.

4. Kim Fetrow will be on-site the morning of July 26th, ahead of the commission meeting, and will be taking headshots and group photos.

Manager of Risk Management and Treasury Operations/Manager of Customer Engagement:

1. Manager provided a S&P rating update and informed the Commission the District has been reaffirmed at an A+ credit rating with a stable outlook. Manager reviewed highlights from the rating report. A discussion was held on the District's wildfire mitigation plan.

2. Manager reviewed the accounts receivable reports and financial dashboards that were included in the commission packet.

3. Staff is recommending adding widows and widowers to the District's low-income Veteran's discount. Commissioners concurred with staff's recommendation. Staff will return to a future commission meeting with proposed edits to the District's low-income policy.

4. Manager of Customer Engagement informed the Commissioners of four community events the District plans to host in September. The event will be targeted at educating customers on demand charges and local utility issues.

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

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

Business Agenda

Resolution No. 2605 – Adopting New Commissioner Districts

The District was provided notification on June 16, 2022 by the Benton County Auditor to remove precinct 6321 from the District's commissioner districts, per the requirements set forth in RCW 54.04.039 which states in part that any voting precinct should be withdrawn from a public utility district if the precinct received at least one electric distribution, water or sewer service from a city and no electric distribution, water or sewer service from a public utility district.

Director recommended the Commission approve Resolution No. 2605, Adopting New Commissioner Districts. Adoption of this Resolution will bring the boundaries of Benton PUD commissioner districts in compliance with the requirements set forth in RCW 54.04.039.

Motion by Barry Bush, seconded by Lori Sanders approving Resolution No. 2605, Adopting New Commissioner Districts

MOTION PASSED.

Other Business

Bid Package #22-21-130, Aluminum 336-19 Str. AAC, Tulip Conductor, Contract Award Recommendation

Manager of System Engineering recommended the commission award bid package #22-21-130, Aluminum 336-19 Str. AAC, Tulip Conductor to Border States of Fargo, ND.

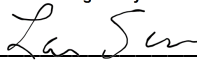
Motion by Barry Bush, seconded by Lori Sanders awarding the contract for Aluminum 336-19 Str. AAC, Tulip Conductor, Bid Package #22-21-130 to Boarder States of Fargo, ND, for the total amount of \$138,234.88 plus Washington States sales tax in accordance with RCW 54.04.080.

MOTION PASSED.

Meeting Reports

Commissioner Lori Sanders briefly discussed the APPA National Conference previously attended.

Hearing no objection, Commission President Lori Sanders concluded the Commission Meeting at 10:34 a.m.

DocuSigned by:

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Lori Sanders, President

ATTEST:

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Barry A. Bush, Vice-President