

**AGENDA**  
**BENTON COUNTY PUBLIC UTILITY DISTRICT NO. 1**  
**COMMISSION MEETING**

Tuesday  
2721 West 10<sup>th</sup> Ave., Kennewick

August 9, 2022

9:00 a.m.

**The meeting is also available via MS Teams.**

**The conference call line is:**

**1-469-998-5874**

**Conference ID: 445 049 097#**

1. Pledge of Allegiance

**Public Hearing – 2022 Draft Integrated Resource Plan, 9:00 a.m.**

2. Public Hearing on the 2022 Draft Integrated Resource Plan Progress Report (pg.2)  
Staff Presentation/Commission Discussion  
Accept Public Comment  
Close Public Hearing

3. Resolution No. 2608, 2022 Integrated Resource Plan Progress Report (pg.8)

4. Public Comment

*(Individuals wishing to provide public comment during the meeting whether in person or remotely will be recognized by the Commission President and provided an opportunity to speak. Public Comment can also be sent to the Clerk of the Board in advance of the meeting at [marshalj@bentonpud.org](mailto:marshalj@bentonpud.org). Guidelines for Public Participation can be found on the District's website.)*

5. Treasurer's Report (pg.27)

6. **APPROVAL OF CONSENT AGENDA**

*(All matters listed within the Consent Agenda have been distributed to each member of the Commission for reading and study, are considered to be routine, and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired by any member of the Commission, that item will be removed from the Consent Agenda and placed on the Regular Agenda by request.)*

- a) Minutes of regular commission meeting of July 26, 2022. (pg.34)
- b) Travel Report dated August 9, 2022. (pg.39)
- c) Vouchers dated August 9, 2022. (pg.40)
- d) Resolution No. 2609, Amending Nonstandard Discretionary Compensation and Benefits. (pg.61)
- e) Contract No. 16-38-02, Moon Security, Contract Change Order #9. (pg.77)
- g) Performance Measurement, 2<sup>nd</sup> Quarter 2022 Report. (pg.80)
- h) Resolution No. 2610, Dissolving the Benton County PUD Rural Economic Development Fund. (pg.107)

7. **Report from Management**

8. **BUSINESS AGENDA**

- a) Contract No. 22-21-209, Electrical Consultants, Inc., Contract Award Recommendation Action Item/Evan Edwards (pg.111)
- b) Formal Quote No. 22-38-05, Fencing Repair and Upgrades, Contract Award Recommendation Action Item/John Schafer (pg.134)

9. Other Business
10. Future Planning
11. Meeting Reports
12. Executive Session

*(To request an accommodation to attend a commission meeting due to a disability, contact [dunlapk@bentonpud.org](mailto:dunlapk@bentonpud.org) or call (509) 582-1270, and the District will make every effort to reasonably accommodate identified needs.)*



X	<i>Business Agenda</i>
	<i>Second Reading</i>
	<i>Consent Agenda</i>
	<i>Info Only/Possible Action</i>
	<i>Info Only</i>

### COMMISSION MEETING AGENDA ITEM

Subject:	2022 Integrated Resource Plan Progress Report – Public Hearing	
Agenda Item No:	2	
Meeting Date:	August 9, 2022	
Presented by:	Blake Scherer	<i>Staff Presenting Item</i>
Approved by (dept):	Chris Johnson	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

**Motion for Commission Consideration:**

None required.

**Recommendation/Background**

In accordance with Revised Code of Washington (RCW) 19.280.050, the District is holding a public hearing to allow additional public comment prior to the commission considering final approval and adoption of the 2022 Integrated Resource Plan (IRP) Progress Report.

The draft 2022 IRP Progress Report was reviewed during the July 26, 2022 commission meeting and the draft has also been available on the District's website to allow for public review and comment in advance of the public hearing.<sup>1</sup>

**Summary**

RCW 19.280.050 requires the commission to provide public notice and hearing prior to approval of the 2022 IRP Progress Report.

**Fiscal Impact**

None for the Public Hearing

<sup>1</sup> A pdf of the draft 2022 IRP Progress Report is available for review at the website below:  
<https://www.bentonpud.org/About/Planning-Performance/Integrated-Resources-Plan>

# 2022 Integrated Resource Plan – Public Hearing

Commission Presentation – August 9, 2022

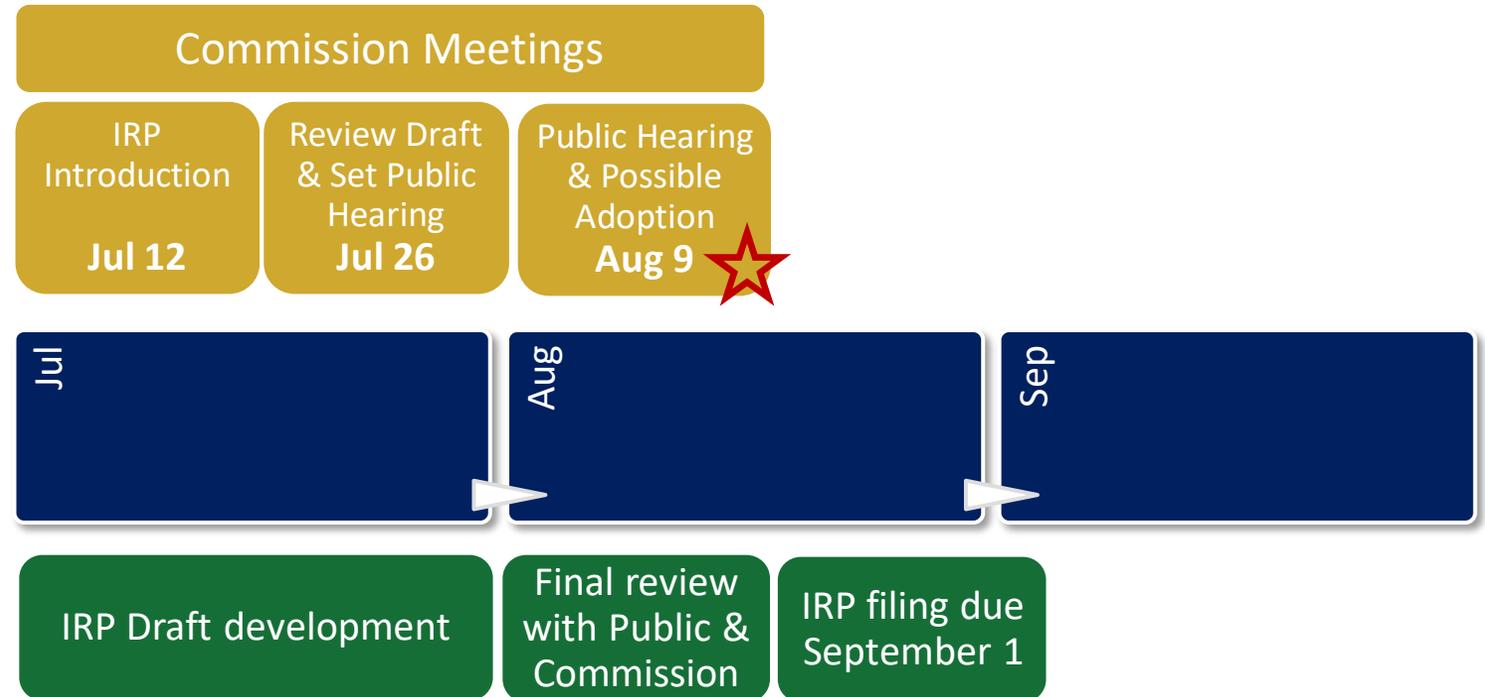


# 2022 IRP Schedule

2

## RCW 19.280.050

*The governing body of a consumer-owned utility that develops a plan under this chapter shall encourage participation of its consumers in development of the plans and progress reports and approve the plans and progress reports **after it has provided public notice and hearing.***



# Summary of Resource Strategy **Changing Conditions**

## 2020 IRP Strategy:

### □ Energy & Capacity

- Continue to use market purchases, with hedging practices, to cover forecasted energy and capacity deficits
- Purchase a second seasonal capacity call option for the years 2025 through 2028, to reduce market risk

### □ Renewable Portfolio Standard

- Market purchases of Renewable Energy Credits (RECs)

### □ Transmission

- BPA Point-to-Point service



## 2022 IRP Strategy:

### □ Energy & Capacity

- Continue to use market purchases, with hedging practices, to cover forecasted energy and capacity deficits
- **Purchase is on hold while reviewing the option to switch the BPA contract from Slice/Block to Load Following**

### □ Renewable Portfolio Standard

- Market purchases of Renewable Energy Credits (RECs)

### □ Transmission Service

- **BPA Network service**

# Revisions to the Draft presented July 26, 2022

4

- **No significant changes**, only minor revisions as noted below:
  - **Added page numbers** missing from two pages and removed TEA logo from header
  - **Table 2-1 and Figure 2-2** – Removed calendar year 2022; keeping 10-years (2023-2032)
  - **Table 2-2** – Revised table layout, minor value updates, adjusted to 10-years (2023-2032)
  - **Table 3-1, Action #1** – Added sentence about monitoring BPA’s Resource Program, WECC’s Western Assessment of Resource Adequacy, and NWPCC’s Annual Adequacy Assessment
  - **Table 3-1, Action #6.i** – Added additional details of WA State emission reduction goals
  - **Table 3-2, Action #1** – Added note about no-coal attestation (WAC 194-40-300)
  - **Appendix A revisions:**
    - **Carbon price** – Added sentence about forecast using California carbon price history
    - **Carbon price chart** – Updated title, axis label, updated series color and labels
    - **Electricity price chart** – Added axis label, edited title, updated series order and color

# Next Steps

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- **Accept** public comment
- **Close** public hearing
- **Adoption** of resolution to approve the final 2022 IRP Progress Report



X	Business Agenda
	Second Reading
	Consent Agenda
	Info Only/Possible Action
	Info Only

### COMMISSION MEETING AGENDA ITEM

Subject:	2022 Integrated Resource Plan Progress Report – Resolution No. 2608	
Agenda Item No:	3	
Meeting Date:	August 9, 2022	
Presented by:	Blake Scherer	<i>Staff Presenting Item</i>
Approved by (dept):	Chris Johnson	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

**Motion for Commission Consideration:**

Motion approving Resolution No. 2608 adopting the 2022 Integrated Resource Plan Progress Report.

**Recommendation/Background**

Chapter 19.280 of the Revised Code of Washington (RCW) requires utilities with more than 25,000 customers that are not Bonneville Power Administration (BPA) full requirements customers to complete, at a minimum, an Integrated Resource Plan (IRP) progress report every two years and an updated IRP must be developed at least every four years (RCW 19.280.030). Staff, with the assistance of The Energy Authority (TEA), has completed the District’s 2022 IRP Progress Report (Report) to reflect the changing conditions and progress since the 2020 IRP Update was approved in August 2020.

During the July 12, 2022 commission meeting, Staff provided an introduction to the Report. The following commission meeting on July 26, 2022, staff presented a draft Report, and a motion was passed to set a public hearing for August 9, 2022 to allow additional public comment prior to the commission considering final approval and adoption. Staff will present a final Report for consideration and possible adoption following the public hearing on August 9, 2022.

**Summary**

Commission approval of the 2022 IRP Progress Report is required to enable transmitting a copy of the approved report to the Washington State Department of Commerce by the September 1<sup>st</sup> deadline identified in RCW 19.280.050(2).

**Fiscal Impact**

The 2022 IRP Progress Report cost estimate of \$7,500 (Exhibit D to Activity 2 2022 TEA Consulting Task Order - Contract #06-51-11) was included in the 2022 Original Budget total of \$184,200 for “TEA Consulting” (Department 51, Activity 61).

**RESOLUTION NO. 2608**

**August 9, 2022**

**A RESOLUTION OF THE COMMISSION OF  
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON,  
ADOPTING THE 2022 INTEGRATED RESOURCE PLAN PROGRESS REPORT**

WHEREAS, RCW 19.280.030, requires utilities with more than 25,000 customers that are not full requirements customers to develop or update an Integrated Resource Plan (IRP), defined as an analysis describing the mix of generating resources, conservation, methods, technologies, and resources to integrate renewable resources and, where applicable, address over-generation events, and efficiency resources that will meet current and projected needs at the lowest reasonable cost to the utility and its ratepayers, by September 1, 2008; AND

WHEREAS, RCW 19.280.030, also requires, at a minimum, progress reports reflecting changing conditions and the progress of the integrated resource plan to be produced every two years thereafter and an updated integrated resource plan to be developed at least every four years subsequent to the 2008 integrated resource plan; AND

WHEREAS, RCW 19.280.050, requires each consumer-owned utility to transmit a copy of its plan to the Department of Commerce by September 1, 2008, and transmit subsequent progress reports or plans to the department at least every two years thereafter; AND

WHEREAS, in 2019, RCW 19.280.030 was amended with the passage of the Clean Energy Transformation Act (CETA) to include additional IRP requirements; AND

WHEREAS, The Energy Independence Act (EIA) approved in 2006 requires all utilities with customers exceeding 25,000 to meet 3% of their load by 2012, 9% of their load by 2016, and 15% of their load by 2020 with qualifying renewable resources; AND

WHEREAS, The District's last IRP update (the "2020 IRP") was adopted by Commission Resolution No. 2549 on August 11, 2020; AND

WHEREAS, The District has developed a 2022 IRP Progress Report to reflect the changing conditions and progress since the 2020 IRP; AND

WHEREAS, RCW 19.280.050 requires the governing body of a consumer-owned utility that develops an IRP to encourage participation of its consumers in development and approval of the plans and progress reports after it has provided public notice and hearing; AND

WHEREAS, A notice of the July 26, 2022 Commission review of the draft 2022 IRP Progress Report was published on July 22, 2022, and on July 26, 2022 the Commission approved a motion setting a Public Hearing on the final draft for August 9, 2022, at 9:00 a.m., to allow additional public comment prior to the commission considering final approval and adoption; AND

WHEREAS, A notice of the August 9, 2022 Public Hearing was published on August 5, 2022;  
AND

WHEREAS, On August 9, 2022 the Commission closed the public comment period regarding the District's 2022 Integrated Resource Plan Progress Report.

NOW THEREFORE BE IT RESOLVED that the Commission of Public Utility District No. 1 of Benton County approves and adopts the attached 2022 Integrated Resource Plan Progress Report.

APPROVED AND ADOPTED By the Commission of Public Utility District No. 1 of Benton County at an open meeting, with notice of such meeting being given as required by law, this 9th day of August, 2022.

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Lori Kays-Sanders, President

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Jeffrey D. Hall, Secretary



PUBLIC UTILITY DISTRICT NO. 1  
OF BENTON COUNTY

2022 INTEGRATED RESOURCE PLAN  
PROGRESS REPORT



AUGUST 2022

PREPARED IN  
COLLABORATION WITH  
THE ENERGY AUTHORITY



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## Section 1: Overview

### Washington State Law

Public Utility District No. 1 of Benton County (the District) is required by Washington State law, Chapter 19.280 of the Revised Code of Washington (RCW), to develop an integrated resource plan (IRP) that explains the mix of generation and demand-side resources it plans to use to meet its customers' electricity needs in both the short term and the long term. State law requires, at a minimum, progress reports reflecting changing conditions and the progress of the IRP to be produced every two years and an updated IRP must be developed at least every four years (RCW 19.280.030).

Additionally, state law requires the governing body of a consumer-owned utility that develops a plan to encourage participation of its consumers in development of the plans and progress reports and to approve the plans and progress reports after it has provided public notice and hearing.

### Reporting Cycle

The District's last IRP (the "2020 IRP") was adopted by Commission Resolution No. 2549 on August 11, 2020 and is available for review on the District's Resource Planning website.<sup>1</sup> This 2022 IRP Progress Report is intended to reflect the changing conditions and progress since the 2020 IRP and is not considered a full update of the IRP. The District's next full IRP update, per the four-year requirement, will be in 2024.

The Washington State Department of Commerce (DOC) also requires annual submittal of an IRP reporting "cover sheet" that is essentially a listing of the District's loads and resources, with annual energy and seasonal peaks identified for a base year and a 5-year and 10-year outlook. The District will be submitting the final adopted 2022 Progress Report and its 2022 IRP cover sheet to DOC by the September 1 deadline. Refer to the DOC website for a copy of the cover sheet.<sup>2</sup>

### Progress Report Layout

**Section 2: Changing Conditions** is a high-level summary of the major changes, since the 2020 IRP, focused on those changes related to the District's load and resource balance and its resource strategy. Some of the changes may use footnote references to point the reader to additional details within Section 3. For discussion on other changes in the industry, refer to those topics within the context of the Section 3 progress report.

**Section 3: Action Plan Progress** includes two tables that list every action item from the 2020 IRP action plan (Table 3-1), including the Clean Energy Action Plan (Table 3-2), and then includes a progress report write-up for each action item.

**Appendix A: Price Forecasts** includes natural gas and power market price forecasts prepared by The Energy Authority (TEA) in conjunction with this progress report.

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<sup>1</sup> <https://www.bentonpud.org/About/Planning-Performance/Integrated-Resources-Plan>

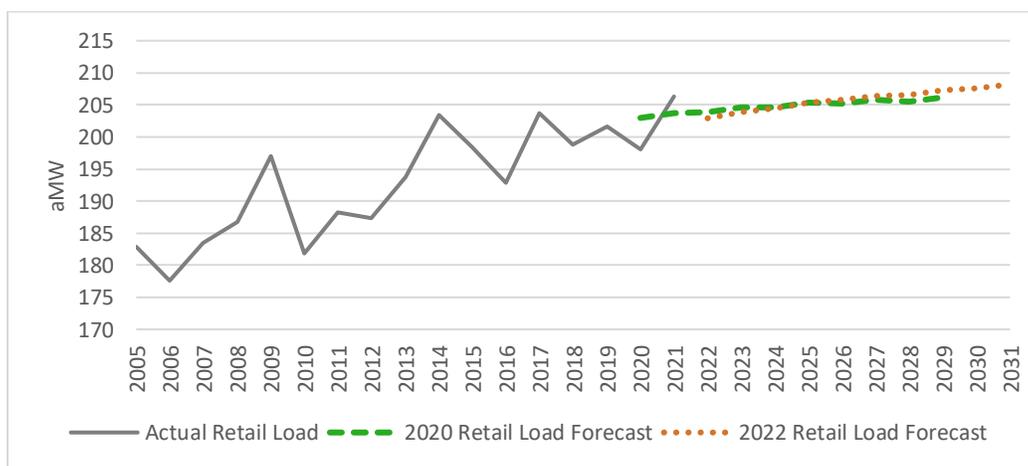
<sup>2</sup> <https://www.commerce.wa.gov/growing-the-economy/energy/utility-resource-plans/>

## Section 2: Changing Conditions

### Loads

The District’s ten-year load and customer forecast was updated in April 2022 and it incorporated an updated Conservation Potential Assessment (CPA) that was completed in October 2021.<sup>3</sup> The 2022 load forecast only varies moderately from the base case forecast used for the 2020 IRP. The annual variance was one average megawatt or less for each of the eight overlapping years in the forecasts for the period 2022 through 2029. The 2022 base case scenario forecasts an average annual rate of growth (AARG) of 0.29% for retail load, compared to the 0.17% AARG forecast in 2020.

**Figure 2-1 – Annual Retail Load Forecast**



### Resources

Most of the District’s power supply continues to be supplied under long-term contract by the Bonneville Power Administration (BPA) through their Slice and Block products. The District also has long term contracts with three renewable projects: Nine Canyon Wind (through July 1, 2030), White Creek Wind (through December 31, 2027), and Packwood Lake Hydroelectric (ongoing). The District’s contract for 50 MW of the Fredrickson natural gas combined cycle unit expires August 31, 2022. Lastly, the District has a seasonal capacity, heavy load hour, call option contract in place for 2022 through 2025, for 25 MW in December, January, and February and 75 MW in July and August.

Besides the Fredrickson contract ending, the only changes to the District’s existing resources, since the 2020 IRP, has been BPA’s adjustment of the District’s rate period high water mark (RHWM) allocation—the amount of energy available to purchase at Tier 1 rates—which is subject to change during each two-year rate period, per the BPA Slice contract. Since the completion of the 2020 IRP analysis, the District’s RHWM allocation is anticipated to be a net increase by 0.709 aMW, effective October 1, 2023, based on BPA’s preliminary RHWM calculations for fiscal years 2024-2025.<sup>4</sup>

<sup>3</sup> Refer to the District’s Resource Planning website (see footnote 1) for a copy of the 2022 load forecast and the 2021 CPA. Additionally, refer to Item #4 of Table 3-1 for more details about the 2021 CPA.

<sup>4</sup> For additional details on RHWM changes since the 2020 IRP, refer to Item #6.d of Table 3-1.

## Load & Resource Balance

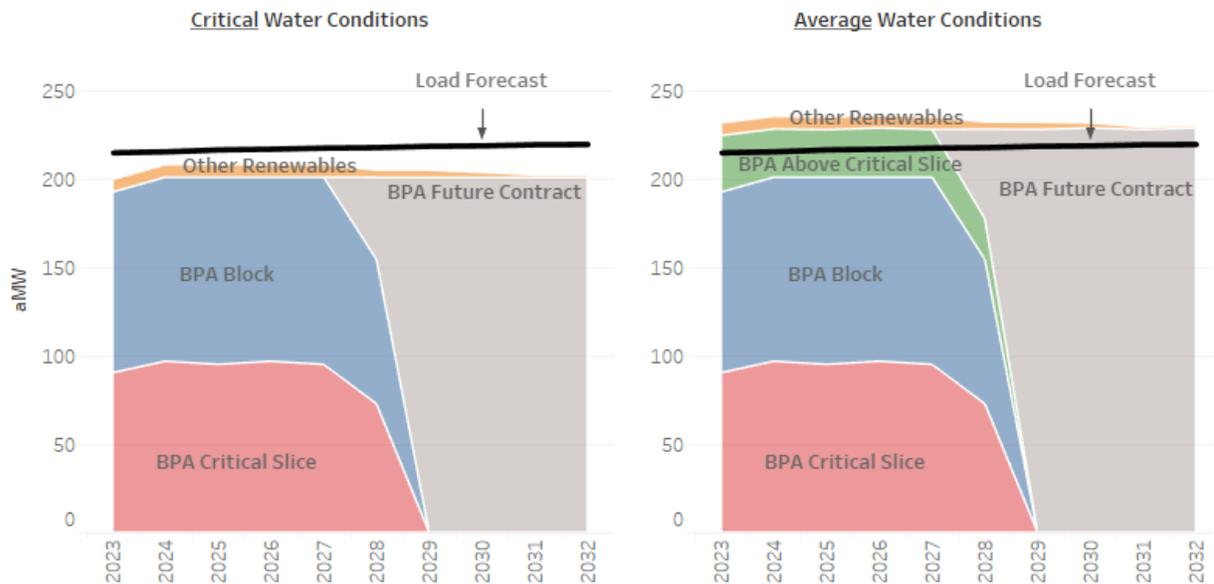
The load and resources presented in this section reflect the changes since the 2020 IRP, including BPA’s preliminary fiscal year 2024-2025 RHWM values, as detailed below in Table 2-1.

**Table 2-1 – 10-Year Annual Average Net Position<sup>5,6</sup>**

Resource Name	Calendar Year									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Packwood Hydro	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Nine Canyon Wind	2.7	2.7	2.7	2.7	2.7	2.7	2.7	1.4	0.0	0.0
White Creek Wind	3.0	3.0	3.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0
BPA Future Contract	0.0	0.0	0.0	0.0	0.0	50.7	228.0	228.9	228.0	228.9
BPA Above Critical Slice	32.0	27.3	26.9	27.9	27.0	23.0	0.0	0.0	0.0	0.0
BPA Critical Slice	90.4	96.9	95.1	96.9	95.1	72.8	0.0	0.0	0.0	0.0
BPA Block	102.2	104.1	105.9	104.1	105.9	81.7	0.0	0.0	0.0	0.0
<b>Total Resources (aMW)</b>	<b>231.8</b>	<b>235.5</b>	<b>235.1</b>	<b>236.1</b>	<b>235.2</b>	<b>232.4</b>	<b>232.2</b>	<b>231.8</b>	<b>229.5</b>	<b>230.4</b>
Load Forecast (aMW)	215.2	215.8	216.9	217.3	217.9	218.2	218.9	219.2	219.8	219.9
<b>Net Position (Average Water)</b>	<b>16.6</b>	<b>19.7</b>	<b>18.2</b>	<b>18.8</b>	<b>17.3</b>	<b>14.2</b>	<b>13.3</b>	<b>12.6</b>	<b>9.7</b>	<b>10.5</b>

Figure 2-2 below, compares the District’s load to its resources under critical hydro conditions (left) and average hydro conditions (right). The District’s existing resources are not sufficient under critical water conditions, however, under average water conditions the additional Slice generation (“BPA Above Critical Slice”) is enough to remain in load and resource balance on an annual basis beyond 2032.

**Figure 2-2 – 10-Year Annual Average Load & Existing Resources**



<sup>5</sup> The 2020 IRP included a small energy contribution from the District’s seasonal on-peak capacity contract in its evaluation of annual average energy; this was an error. For this report, the call option has been excluded from Table 2-1 and Figure 2-2.

<sup>6</sup> “BPA Future Contract” is a continuation of the District’s existing Slice/Block contract amount, for reference only, and is not intended to represent any decisions as to which BPA product the District may select in the future.

While Figure 2-2 is showing that the District has sufficient resources, assuming average water on an annual average basis, it is well understood that these resources do not have the capacity to serve all the District's load during seasonal peak periods and therefore the District relies on the wholesale market to make up these deficits, per the resource strategy discussed in the next section.

## Resource Strategy

### Energy & Capacity

The District's 2020 IRP preferred portfolio and resource strategy called for continuing to utilize market purchases, hedged by financial products to gain price certainty, to cover forecasted energy and capacity deficits. Additionally, the 2020 IRP strategy called for purchasing a second capacity call option to reduce reliance on the market during peak load events, to insure against the growing risk of physical generation shortfalls in the region, and to maintain the District's flexibility to continue utilizing market purchases when it is more economic.

Per the 2020 IRP strategy and IRP Action Item #1, the District issued a request for proposals in the Fall of 2020 to procure a second capacity call option for the Summer and Winter periods beginning December 2025 through August 2028. The District evaluated the limited responses and made the decision to not move forward with any of the responses and to instead explore other emerging options to meet forecasted energy and capacity deficits, including the option of changing from the BPA Slice/Block product to the Load Following product. On June 30, 2022, BPA confirmed that it will allow the District a one-time option to change to the Load Following product effective October 1, 2023, through the existing contract end date of September 30, 2028.<sup>7</sup>

The District is currently in the process of assessing the costs, risks, and opportunities of changing its BPA purchase obligation and will be bringing this emerging resource strategy to its Commission in September 2022 for consideration. If the District decides to move forward with a conversion to the full requirements Load Following product, BPA requires the District to provide written notice by October 31, 2022.

### Renewable Portfolio Compliance

The District has acquired sufficient renewables resources and renewable energy credits (RECs) to comply with the 15% Renewable Portfolio Standard (RPS) requirement through 2024. Beginning in 2025, the District will need to acquire additional RECs to meet its RPS requirement, which is the same timing as reported in the 2020 IRP. To meet this obligation, the District will continue with the primary strategy of purchasing unbundled RECs from the market, consistent with the 2020 IRP strategy. The details of the District's RPS and REC net position are shown below in Table 2-2. Also refer to this topic within Item #5 of Table 3-1.

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<sup>7</sup> For more details on this IRP action item and the one-time option to change to Load Following, refer to Item #1 of Table 3-1.

**Table 2-2 – Renewable Portfolio Standard & Renewable Energy Credit Net Position**

	Calendar Year									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
RPS Requirement %	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
RPS Load Basis aMW	204.6	203.3	204.1	204.9	205.6	206.1	206.5	207.0	207.4	207.9
RPS Requirement aMW	30.7	30.5	30.6	30.7	30.8	30.9	31.0	31.0	31.1	31.2
<b>REC Contracts</b>										
IWP	4.0	4.0								
Biofuels	7.5	7.5	7.5							
White Creek	2.7	2.7	2.7	2.7	1.8					
BPA	3.7	3.4	3.4	3.4	3.0	2.5				
3Degrees	6.8	6.8	6.8	6.8	6.8	6.8				
RPS Advisors	4.6	4.6	4.6	4.6	4.6	4.6	4.6			
Nine Canyon	2.7	2.7	2.7	2.7	2.7	2.7	2.7	1.4		
<b>Contract Total aMW</b>	<b>32.0</b>	<b>31.8</b>	<b>27.8</b>	<b>20.2</b>	<b>18.9</b>	<b>16.6</b>	<b>7.3</b>	<b>1.4</b>		
<b>RPS Net Position</b>	<b>1.3</b>	<b>1.3</b>	<b>-2.8</b>	<b>-10.5</b>	<b>-11.9</b>	<b>-14.3</b>	<b>-23.7</b>	<b>-29.7</b>	<b>-31.1</b>	<b>-31.2</b>

### Transmission

Since the 2020 IRP, the District has made the decision to convert its BPA transmission contract from point-to-point (PTP) to network (NT) transmission service. As a part of the BPA Fiscal Years 2020-2021 Rate Case and Terms and Conditions Settlement Agreement in December of 2018, BPA agreed to provide two transmission conversion opportunities, one prior to BPA Fiscal Years 2022-2023 rate period and one prior to the BPA Fiscal Years 2024-2025 rate period. Since the 2020 IRP, the District participated in the second conversion window and has consulted with both BPA and The Energy Authority to analyze impacts and to make a determination around a potential transmission service change. District staff conducted a quantitative and qualitative analysis in 2021. The analysis showed that the average annual savings over the 5-year study period (2016-2020) would have been approximately \$220,000 (≈\$1.1 million in total over the five-year period). Additionally, the NT product has a higher scheduling priority than the PTP product. This means that in the event curtailment is required due to transmission congestion on a particular transmission path on the BPA transmission network, the Firm NT product would be the last to be curtailed.

The District Commission, at its June 7, 2022 meeting, approved a motion authorizing the General Manager to execute the agreements with BPA necessary to proceed with the conversion from PTP to NT transmission service effective October 1, 2023 through the existing PTP contract end date of September 30, 2031. The District will also amend its BPA PTP contract and reduce the total transmission capacity from 423 MW to 1 MW. BPA identified through their review of the conversion that 1 MW of the PTP transmission contract was ineligible for conversion; however, it can be utilized for secondary market sales of surplus Slice generation. The District expects to execute the related agreements by August 2022.

## Section 3: Action Plan Progress

Refer to the following tables for a description of the District’s progress on its 2020 IRP action items:

- **Table 3-1, Progress on 2020 IRP Action Plan**
- **Table 3-2, Progress on 2020 IRP Clean Energy Action Plan**

Table 3-1, Progress on 2020 IRP Action Plan

#	2020 IRP Action Item	2022 IRP Progress Report
1	<p>Issue a Request for Proposal (RFP) before the end of 2020 for seasonal capacity products to cover 75 MW of summer (July/August) capacity deficits and at least 25 MW of winter (December/January/February) capacity deficits for the term of December 2025 through August 2028. These are the same values used in a District RFP used to secure capacity for December 2022 through August 2025. RFP will include product definitions to meet the expected future Northwest Power Pool (NWPP) Resource Adequacy (RA) program requirements. Capacity purchases resulting from this RFP process are expected to cover a portion of the District’s possible seasonal energy shortfalls based on historical data and the probability of similar future outcomes.</p>	<p>The District issued an RFP in the Fall of 2020 to procure capacity products for the Summer and Winter periods beginning December 2025 through August 2028. The District evaluated the limited responses and made the decision to not move forward with any of the responses and to explore other emerging options to meet the needs.</p> <p>In 2021, the District participated in discussions between BPA and some Slice customers around BPA providing additional capacity to preference customers that need additional capacity to meet the Western Resource Adequacy Program (WRAP) requirements (see Action Item #2). Those discussions continued into 2022 along with larger group discussions around BPA capacity as part of the Post-2028 Contract process.</p> <p>Also in 2021, the District initiated discussions directly with BPA about a possible product switch from Slice/Block to Load Following. The District sent a letter to BPA on November 12, 2021, requesting an option to switch products. BPA subsequently offered all Slice/Block customers the opportunity to submit a formal request by March 31, 2022, so they could complete a collective analysis and determination if BPA would allow a product switch, including identification of any cost shifts. BPA issued a letter to the region with their analysis on June 10, 2022 and requested public comment by June 24, 2022. BPA issued a final close out letter on June 30, 2022, concluding that BPA <u>will</u> allow the requesting utilities a one-time option to change to the Load Following product, effective October 1, 2023, and requiring each requesting utility, by October 31, 2022, to provide BPA with written notice whether it wishes to proceed with a change to its purchase obligation.<sup>8</sup></p>
	<p><i>Items 1.a through 1.d below are not action items themselves, rather these were the contributing factors listed in the 2020 IRP under Action Item #1.</i></p>	<p><i>Items 1.a through 1.d below, continue to be significant concerns as the District evaluates the emerging resource strategy of a possible BPA contract change to Load Following and how the strategy may address these same concerns. The District is continually monitoring related regional studies, including, but not limited to BPA’s Resource Program, the Western Electricity Coordinating Council’s (WECC) Western Assessment of Resource Adequacy, and the Northwest Power and Conservation Council’s (NWPPCC) Annual Adequacy Assessment.</i></p>
1.a	<p><i>The District has significant seasonal capacity deficits that cannot be reliably addressed with renewable energy resources such as wind and solar due to the intermittent nature of these technologies, specifically during long duration summer heat and winter cold events that often occur within our service territory. Battery technology is not expected to be economic or operationally proven as a way to mitigate wind and solar intermittency through 2028 which is a key District planning milestone aligned with the beginning of the new Bonneville Power Administration contract term.</i></p>	
1.b	<p><i>Regional generation resource adequacy is projected to continue to decline over the initial planning horizon due to the early retirement of coal-fired resources and the lack of firm plans by utilities to build new dispatchable capacity. The Northwest Power and Conservation Council projects the loss of load probability (LOLP) could increase to 26% by 2026 which is well above the 5% threshold used as a regional standard for adequacy.</i></p>	
1.c	<p><i>The adoption of the Clean Energy Transformation Act (CETA) law in 2019 requires the elimination of coal-fired resources to serve retail load in Washington state and includes regulatory hurdles established to disincentivize new natural gas fired resources from being built in the region. The District believes the anti-fossil fuel bias of CETA will increase the demand for existing dispatchable capacity which is limited and already included in the LOLP calculations which show the region is short.</i></p>	
1.d	<p><i>A limited number of independent power producers (IPP) with dispatchable capacity are available in the region which the District believes will be in high demand as utilities try and firm up their share of the capacity void left by coal-plant retirements while also meeting new regional resource adequacy standards being developed by the NWPP.</i></p>	

<sup>8</sup> <https://www.bpa.gov/-/media/Aep/power/regional-dialogue/2022-product-change-closeout-letter-20220701.pdf>

#	2020 IRP Action Item	2022 IRP Progress Report
2	Engage in the NWPP resource adequacy standard development and implementation processes with the intent of participating in the voluntary program. Procure additional capacity when needed to meet the District's compliance with the RA program's seasonal forward showing requirements, which is expected to include a planning reserve margin.	<p>As of October 2021, the District and 6 other utilities partnered to enable The Energy Authority (TEA) to be the aggregate Load Responsible Entity participating in the non-binding Phase 3A stage of the Western Power Pool's (formerly Northwest Power Pool) Western Resource Adequacy Program (WRAP). Learnings from Phase 3A of the WRAP (Oct 2021 to Dec 2022) will be used to develop a recommendation by December 2022 for participating, or not, in the Phase 3B that begins Jan 2023, but does not transition to binding until Summer 2025 or later.<sup>9</sup></p> <p>Procurement of any additional capacity is on hold while the District considers the option of switching its BPA contract from Slice/Block to Load Following (see Action Item #1). The District is also monitoring BPA's decision on joining WRAP. BPA has indicated that under WRAP, BPA would have the resource adequacy obligation on behalf of its Load Following customers. BPA is still working on a proposal for how it will handle Above High-Water Mark (AHWM) and New Large Single Load (NLSL) within WRAP. BPA expects to post a draft close-out letter in early October 2022, receive comments for 30-days and then post the final close-out letter in December 2022.</p>
3	Seasonal energy deficits above the 75MW/25MW summer/winter capacity procurements identified previously (plus additional capacity subsequently acquired to meet NWPP RA standards) will be met through short-term wholesale market purchases hedged by financial products acquired in a 3-year purchase/sale window through the District's existing Risk Management Committee (RMC) process.	The District's RMC continues to convene monthly to review its power supply portfolio and hedge supply and price risk for a rolling 36-month period. Each month market fundamentals, forward market prices, hydrological conditions, procurement strategies and hedging recommendations are reviewed and discussed. With formal RMC approval, said strategies to balance the District's load and resources, fill seasonal energy deficits and sell energy surpluses are executed in a systematic fashion by TEA.
4	<p>Implement all cost-effective conservation consistent with the requirements and any future amendments of the Energy Independence Act.</p> <p>a. The most recent Conservation Potential Assessment (CPA) adopted by the Commission in September 2019 includes 11.62 aMW of cost-effective conservation over 10 years.</p> <p>b. Targets in subsequent CPAs, conducted every two years, will continue to evolve as inputs change over time.</p>	<p>The District has consistently met its biennial energy efficiency targets. For the 2020-2021 biennium, the target was 1.71 aMW and the District achieved 3.27 aMW, as reported to Commission May 10, 2022, and subsequently submitted to the Department of Commerce. On October 26, 2021, the Commission adopted an updated CPA, which is available on the District's Resource Planning website (see footnote 1).</p> <p>The 2021 CPA identified the following cost-effective conservation potential:</p> <ul style="list-style-type: none"> <li>• 2-Year (2022-2023)            1.52 aMW</li> <li>• 4-Year (2022-2025)            3.59 aMW</li> <li>• 10-Year (2022-2031)        11.72 aMW</li> </ul>
5	RPS requirements will be met by executing new Renewable Energy Credit (REC) purchase contracts as existing REC purchase contracts begin to expire in 2024.	The District has consistently met the annual Renewable Portfolio Standard (RPS) requirements, which currently require the District to acquire certain eligible renewable resources to serve at least 15% of its total annual retail customer demand. Historically, the District has annually retired renewable energy credits associated with its long-term power supply contracts for the White Creek and the Nine Canyon wind projects, BPA Tier 1 REC allocation, and then procured additional quantities from the REC market when needed. The District will continue to use REC purchases to meet part of its 15% RPS requirement and as a clean energy strategy to backfill behind long-term renewable contracts as they expire. Refer to Section 2 and Table 2-2 for additional details on the District's REC and RPS net position.

<sup>9</sup> Some WRAP details are subject to non-disclosure. Refer to WPP's website for public information, <https://www.westernpowerpool.org/about/programs/western-resource-adequacy-program>

#	2020 IRP Action Item	2022 IRP Progress Report
6	<p>Complete resource/market related analyses and studies to enhance the 2022 IRP process, inputs, and resource acquisition evaluations including the following:</p> <ul style="list-style-type: none"> <li>a. The District will investigate alternative approaches for risk simulation analysis to account for peak loads and capacity needs consistent with the requirements of the NWPP regional RA initiative. This approach should be identified by 9/1/2021.</li> <li>b. Develop a white paper that describes a process for determining a Levelized Cost of Capacity for use in the 2022 IRP process. Complete by 8/31/2021.</li> </ul>	<p>During 2021, the District engaged The Energy Authority (TEA) to perform a holistic review of its long-term utility planning processes and to realign the approach. The result of this review has been the development of a white paper that describes a multiple step process to assess loads and resources at an hourly level across the study period to determine the magnitude, duration, and frequency of the District’s future resource needs. This level of modeling granularity will provide greater insights into monthly and seasonal peak capacity needs and will inform resource adequacy and energy and capacity planning standards. In addition, an improved resource screening methodology will assess the contribution of new resources, demand response and energy storage technologies to serving identified peak needs and the associated cost for that contribution. This multi-step process to assess load and resources results in new metrics that can guide resource additions that best meet District forecast future needs. The whitepaper “Integration of Resource Adequacy Methodologies for Utility Planning,” was finalized in March 2022 and documents this revised long-term resource planning approach and methodology.</p>
6.c	<p>Explore how to and consider developing a demand response potential assessment and supply curves that could be implemented in synergy with the District’s smart meters as a potential resource for meeting hourly peak loads.</p>	<p>In 2021, the District contracted with EES Consulting to complete the District's first Demand Response Potential Assessment (DRPA) in conjunction with the routine task (updated every 2 years) of completing the District's 2021 Conservation Potential Assessment. EES completed the CPA in Oct and the DRPA in Nov 2021 and it's expected that both will be updated every two years going forward. The District also contracted in 2022 with IRZ Consulting to explore demand response opportunities for agricultural irrigation customers. The District is still evaluating the DRPA results and developing its demand response strategy, with a Commission workshop planned for Fall 2022. The DRPA (and CPA) will be updated again in 2023 and will serve as an input into the 2024 IRP analysis to determine if demand response is a cost-effective, feasible and reliable resource.</p>
6.d	<p>The District will monitor BPA’s FY2022/2023 rate period high water mark process, analyze the impact of reduced BPA generation due to the change in hydro operations as outlined in the preferred portfolio identified in the Columbia River System Operations Final Environmental Impact Statement (EIS), and incorporate the results of the analysis into future power supply planning including the District’s 2022 IRP update.</p>	<p>Every two years, BPA has a public process—the Rate Period High Water Mark (RHWM) process<sup>10</sup>—to determine the size and allocation of the BPA Tier 1 Firm Critical System Output for the next rate period. The District routinely monitors this process and incorporates any changes into its power supply planning.</p> <p>In May 2020, as the District was preparing the 2020 IRP report, BPA published preliminary values for fiscal years 2022-2023 showing the District’s RHWM allocation being reduced by 8.213 aMW (from 200.214 to 192.001 aMW). In September 2020, BPA published its final RHWM values for fiscal years 2022-2023, which matched the preliminary values. The reduction was primarily due to spill pattern changes for fish and other recommended system and configuration improvements as outlined in the preferred portfolio of the Columbia River System Operations Final EIS. Given that the 2020 IRP analysis was completed prior to BPA releasing the preliminary values, the 2020 IRP continued to reflect the RHWM derived from the fiscal year 2020-2021 process (200.214 aMW).</p> <p>In March 2022, separate from the BPA RHWM process, the District’s slice allocation was modified due to a small portion of load being annexed by the City of Richland, resulting in a RHWM decrease of 0.199 aMW (from 192.001 to 191.802 aMW).</p>

<sup>10</sup> <https://www.bpa.gov/energy-and-services/rate-and-tariff-proceedings/rate-period-high-water-mark-process>

#	2020 IRP Action Item	2022 IRP Progress Report
		As of June 2022, BPA’s preliminary RHW analysis for fiscal years 2024-2025 is showing an increase of 8.922 aMW (from 191.802 to 200.923 aMW). The increase is primarily attributed to BPA’s decision to move away from defining critical water as the 1937 water year and instead using the monthly tenth percentile (P10) of recent 30 years (1989-2018). Other factors contributing to the increase include BPA incorporating changes to streamflow data, water supply forecasts and project operations. BPA expects to have final numbers by September 30, 2022. This report is using the preliminary values in Table 2-1 and Figure 2-2.
6.e	<p>Prepare a study about post-2028 BPA product offering in 2021 as additional information is available.</p> <p>a. Evaluate scenarios of BPA supply of energy, capacity, and non-emitting attributes.</p> <p>b. Include various changes in the BPA resource, BPA augmentation, and regional loads placing Net Requirements on BPA.</p>	The District continues to participate and engage in regional discussions and with BPA regarding post-2028 BPA product offerings, product enhancements and various policy determinations. Public power delivered a Conceptual Framework document to BPA in March 2022 and then BPA unveiled its Provider of Choice Concept Paper on July 14, 2022. <sup>11</sup> Policy meetings will continue into fiscal year 2023 and contract negotiations are planned for early 2024 to mid-2025, to be followed in September 2025 by release of the contract policy record of decision. Contract offers and executions are slated to run from September to December 2025.
6.f	If significant new industrial load (greater than 10 MW) commits to the District’s service territory or the District experiences a sudden increase in commercial and light industrial load (greater than 5 aMW), prepare a report that analyzes the impacts on energy purchases and transmission infrastructure.	The District has not added any new loads of the size and type described; however, the District does frequently receive exploratory inquires and therefore is continually considering the potential for such loads and how to incorporate into our power supply and distribution system planning.
6.g	Monitor the cost and availability of regional developments of pumped hydro storage, solar plus storage, and standalone battery storage.	As part of resource planning efforts, the District both monitors changes to and works with third parties to refresh cost and availability information for regional resource development (e.g., Montana wind resources, solar plus storage, community solar and battery projects, etc.). This information will be an input to future IRP updates.
6.h	The District will analyze the impacts of the CAISO’s proposed Enhanced Day Ahead Market (EDAM) on the recommendation to use the market as the preferred portfolio to meet energy needs. The District is concerned EDAM could reduce market liquidity for bi-lateral transactions in northwest wholesale electricity markets.	The CAISO’s proposed EDAM came to a halt following a summer heat event that caused rolling blackouts in California in August 2020. The CAISO put all policy initiatives on hold at the time to focus on market enhancements needed to operate reliably for Summer 2021. The EDAM effort relaunched in October 2021 with renewed focus and momentum. With this lull in advancement, Southwest Power Pool (SPP) introduced a Markets Plus concept that builds from the Western Resource Adequacy Program and has rallied some interest. As day ahead markets are being discussed in the region, it is not clear which approach may prevail. While market liquidity for bilateral transactions in the Northwest’s wholesale electricity markets is a legitimate concern, governance and California-centric market design issues associated with any CAISO extended day-ahead market initiative also must be addressed. The District notes the lack of synchronization between the CAISO’s centralized transmission structure and the transmission rights structure in the Pacific Northwest. The differences in practices are currently a barrier to expanding the CAISO’s day-ahead market footprint. The District will continue to monitor and stay apprised of evolving markets through its participation in Public Generation Pool and through TEA.

<sup>11</sup> <https://www.bpa.gov/energy-and-services/power/provider-of-choice>

#	2020 IRP Action Item	2022 IRP Progress Report
6.i	<p>The District will continue to monitor the regulatory environment and modify its resource strategy as necessary, including reviewing PURPA regulation changes and closely monitoring CETA rulemaking for impacts to this action plan.</p>	<p>Regarding the Public Utility Regulatory Policies Act of 1978 (PURPA), the District monitored two items since the 2020 IRP: 1) On July 16, 2020, The Federal Energy Regulatory Commission (FERC) approved a final rule to modernize portions of PURPA.<sup>12</sup> These revisions do not impact the District at this time. 2) The 2021 Infrastructure Investment and Jobs Act (IIJA) amended PURPA section 111(d) to add two new “must consider” standards; numbered and titled as (20) demand response practices; and (21) electric vehicle charging programs. The District is currently evaluating the IIJA requirements and its related PURPA changes.<sup>13</sup></p> <p>In 2019, Governor Inslee signed the Clean Energy Transformation Act (CETA) into law. CETA established milestones for utilities to be greenhouse gas neutral by 2030 and carbon free by 2045. Refer to <b>Table 3-2, Progress on 2020 IRP Clean Energy Action Plan</b>, for details on the District’s progress to comply with CETA.</p> <p>During the 2021 legislative session, Washington state passed the Climate Commitment Act (CCA). This legislation established a cap-and-trade program to reduce emissions economy wide in Washington state beginning on January 1, 2023. The goal of the program is to achieve state emissions reductions to 45% of 1990 levels by 2030, 70% of 1990 levels by 2040, and 95% of 1990 levels by 2050. The specific program mechanisms for the allocation and distribution of no-cost allowances and other compliance details are making their way through the Department of Ecology rulemaking process. The District will have a better sense of how to model impacts associated with incremental portfolio emissions and carbon allowances in future IRP updates.</p> <p>Both CETA and CCA, include numerous reporting and compliance obligations for the District and requirements that may impact the IRP process. Since rulemaking for both CETA and CCA are expected to continue through 2022, staff will continue to participate and reflect these requirements in its future IRP analysis.</p>
6.j	<p>The District will continue to monitor energy economic fundamentals to ensure that its resource strategy provides rate payers with low cost energy with a low level of risk. Major changes to price and volatility of wholesale electricity, natural gas, and REC s may require changes to the District’s plan.</p>	<p>The District’s RMC and power planning staff monitor and evaluate energy economic fundamentals monthly and continually evaluate the impact on the District’s resource strategy. Refer to <b>Appendix A: Price Forecasts</b> for natural gas and power market price forecasts prepared by TEA in conjunction with this report.</p>
6.k	<p>The District will assess the 2021 White Creek Wind purchase option.</p>	<p>In 2008 the District started purchasing renewable energy from the 205 MW White Creek Wind project located in Goldendale, Washington and the contract extends through 2027. The District’s agreement had the option to consider purchasing or extending its offtake from the wind project. In 2021 the District completed its analysis and elected not to move forward with purchasing or extending its offtake.</p>

<sup>12</sup> <https://www.ferc.gov/news-events/news/ferc-modernizes-purpa-rules-ensure-compliance-reflect-todays-markets>

<sup>13</sup> <https://www.cooperative.com/conferences-education/web-based-learning/Pages/PURPA-111d-What-Coops-Need-To-Know.aspx>

Table 3-2, Progress on 2020 IRP Clean Energy Action Plan

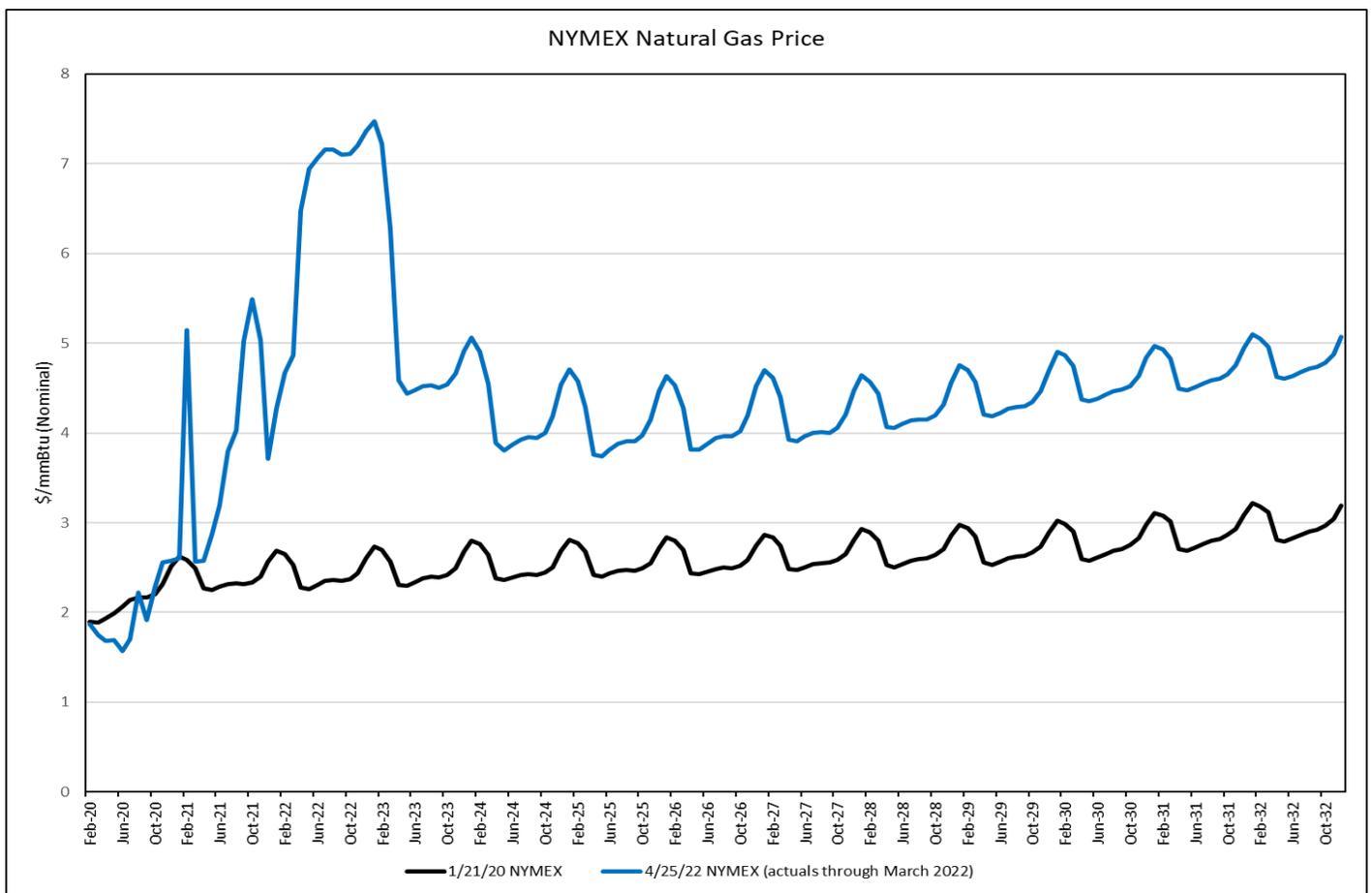
#	2020 IRP Clean Energy Action Plan (CEAP)	2022 IRP Progress Report														
1	<p><b>RCW 19.405.030 – Elimination of coal-fired resources by 12/31/2025</b></p> <p>a. The District will continue its practice of making market purchases to meet its day ahead and real-time power needs. These transactions may be from unspecified resource purchases, which could include coal-fired resources; however, per the definition of coal-fired resource in RCW 19.405.020, these transactions are exempt from the requirement because they are a limited duration wholesale power purchase that does not exceed one month. The District will ensure any longer duration wholesale power purchase transactions do not include coal-fired resources by either having these transactions originate from a specified generating source or develop another means within the rules of the statute to determine that the source of the energy purchased is not generated from a coal-fired resource.</p>	<p>To the extent the District needs to continue to make market purchases, the District expects to continue with the same action plan as described by the 2020 IRP, including complying with the no coal attestation requirements of Washington Administrative Code (WAC) 194-40-300.</p>														
2	<p><b>RCW 19.405.040 – Greenhouse gas neutral by 1/1/2030 (first compliance period 2030-2033)</b></p> <p>a. The District will continue to monitor the CETA rulemaking process for this section and develop a plan to comply with those rules once adopted.</p> <p>b. Assuming the District’s BPA contract renewal in 2028 is similarly structured as its existing BPA contract, the District will have sufficient electricity from renewable resources and non-emitting electric generation to meet, and exceed, the 80% portion of the requirement.</p> <p>c. The District will procure RECs to address the remaining need to comply with the 20% portion of the requirement, which will also satisfy its Energy Independence Act (RPS) renewable requirement per RCW 19.285.040.</p> <p>d. Future evaluations of the District’s energy/capacity needs and associated potential resource acquisition in future integrated resource plans will consider this requirement.</p>	<p>The District expects to continue with the same action plan as described by the 2020 IRP. Furthermore, in November 2021, the District approved its “2022 Clean Energy Implementation Plan” (CEIP), outlining the District’s plan for meeting the 2030 and 2045 clean energy requirements for the interim period from 2022-2025. The District held two public meetings—on July 27, 2021 and August 24, 2021—to provide an overview of the CEIP requirements and to solicit community input. As required by CETA, the CEIP was informed by the 2020 IRP’s CEAP and was consistent with the 2020 IRP’s resource adequacy requirements. The final CEIP was adopted by Commission Resolution No. 2585 on November 9, 2021 and is available on the District’s Resource Planning website (see footnote 1). The CEIP identified specific targets for energy efficiency, demand response and renewable energy targets and actions to support an equitable transition to the state’s clean energy goals, as summarized by the table below—from the Nov. 2021 Commission presentation:</p>														
3	<p><b>RCW 19.405.050 – 100% carbon free by 1/1/2045</b></p> <p>a. Continue to monitor carbon free resource development and new technology (energy storage, small modular reactors (SMR), etc.) that may assist in meeting this requirement. Meeting the District’s capacity needs with renewable resources and non-emitting generation is anticipated to be challenging during peak winter and summer events with existing technology; however, the District will assess the need to contract for a baseload non-emitting resource, such as SMRs, in excess of its energy needs in order to meet its capacity needs.</p> <p>b. The District plans to explore developing a demand response potential assessment to better understand what cost-effective demand response could be deployed in our service territory that would contribute toward meeting our peak capacity needs.</p> <p>c. Future evaluations of the District’s energy/capacity needs and associated potential resource acquisition in future integrated resource plans will consider this requirement.</p>	<table border="1"> <thead> <tr> <th data-bbox="1121 1084 1346 1125">Requirement</th> <th data-bbox="1373 1084 1955 1125">Status/Target/Indicator</th> </tr> </thead> <tbody> <tr> <td data-bbox="1121 1125 1346 1198">2030 – GHG Neutral</td> <td data-bbox="1373 1125 1955 1198">All retail sales of electricity must be 100% Greenhouse Gas (GHG) Neutral for each multi-year compliance period – <b>Forecast to be greater than 100% for the interim period</b></td> </tr> <tr> <td data-bbox="1121 1198 1346 1255">2045 – Carbon Free</td> <td data-bbox="1373 1198 1955 1255">All retail sales must be supplied by 100% from renewable/non-emitting resources – <b>Forecast to be less than 100% by 2045</b></td> </tr> <tr> <td data-bbox="1121 1255 1346 1304">Energy Efficiency</td> <td data-bbox="1373 1255 1955 1304">2022-2025 Target – 31,448 MWh (3.59 aMW)</td> </tr> <tr> <td data-bbox="1121 1304 1346 1344">Demand Response</td> <td data-bbox="1373 1304 1955 1344">2022-2025 Target – 0 MW</td> </tr> <tr> <td data-bbox="1121 1344 1346 1393">Renewable Energy</td> <td data-bbox="1373 1344 1955 1393">2022-2025 Target – 6,849,892 MWh (195.4 aMW)</td> </tr> <tr> <td data-bbox="1121 1393 1346 1497">Equitable Transition</td> <td data-bbox="1373 1393 1955 1497">2022-2025 Equity Area – <b>Energy Burden</b> Indicators: <ul style="list-style-type: none"> <li>• Total # energy burdened customers assisted</li> <li>• Total \$ toward energy burdened customers</li> </ul> </td> </tr> </tbody> </table>	Requirement	Status/Target/Indicator	2030 – GHG Neutral	All retail sales of electricity must be 100% Greenhouse Gas (GHG) Neutral for each multi-year compliance period – <b>Forecast to be greater than 100% for the interim period</b>	2045 – Carbon Free	All retail sales must be supplied by 100% from renewable/non-emitting resources – <b>Forecast to be less than 100% by 2045</b>	Energy Efficiency	2022-2025 Target – 31,448 MWh (3.59 aMW)	Demand Response	2022-2025 Target – 0 MW	Renewable Energy	2022-2025 Target – 6,849,892 MWh (195.4 aMW)	Equitable Transition	2022-2025 Equity Area – <b>Energy Burden</b> Indicators: <ul style="list-style-type: none"> <li>• Total # energy burdened customers assisted</li> <li>• Total \$ toward energy burdened customers</li> </ul>
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## Appendix A: Price Forecasts

### Natural Gas Price Forecast

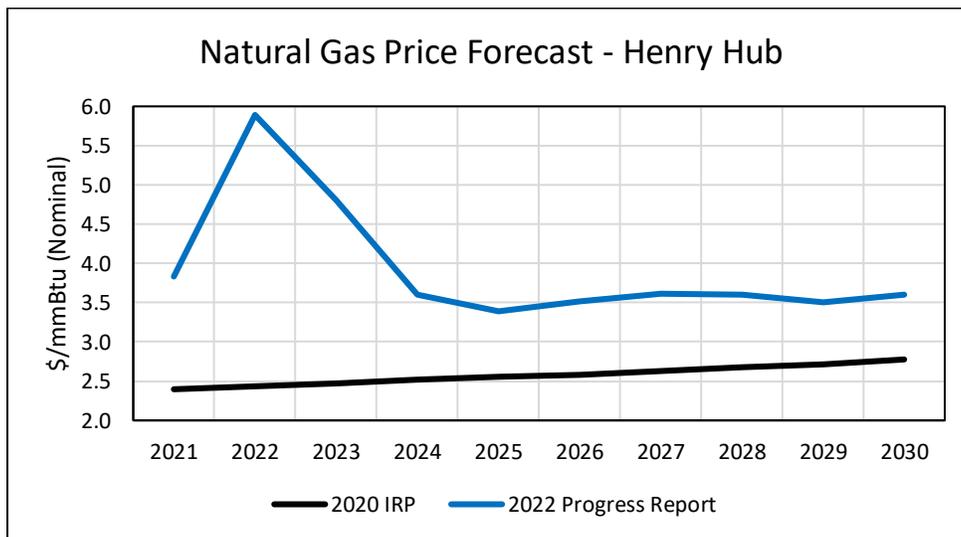
Commodity costs, supply chain issues, and the rate of inflation all have risen considerably since the 2020 IRP study was developed. The price forecast for natural gas is a key planning component as dispatchable natural gas-fired internal combustion engines and combustion turbines in simple and combined cycle configurations are competing in the near term with variable output renewable resources such as wind and solar for inclusion in utility resource plans. The natural gas forecast is a key input to the development of a market price forecast.

In the 2020 IRP, the January 21, 2020 NYMEX natural gas curve was the basis for future natural gas prices (black line in the graph below). As of April 25, 2022 when this Progress Report was being developed, NYMEX pricing for natural gas had increased over \$4.50/MMBtu for the May 2022 through March 2023 period, and an average of \$1.71/MMBtu for the April 2023 through December 2030 period.



Natural gas price forecasts developed by S&P Global Platts and Wood Mackenzie are based on supply and demand balances resulting from the analysis of market fundamentals. Both entities expect that natural gas prices will decline during the 2023 through 2025 period. The price forecast below (blue curve) is based on these recent forecasts and was used as an input to the Aurora market price forecast for the 2022 Progress Report. The updated curve for 2022 is nearly

\$3.50/MMBtu higher than the 2020 IRP assumption. The difference narrows to an average of approximately \$0.90/MMBtu between the years of 2024 and 2030.



### Power Market Price Forecast

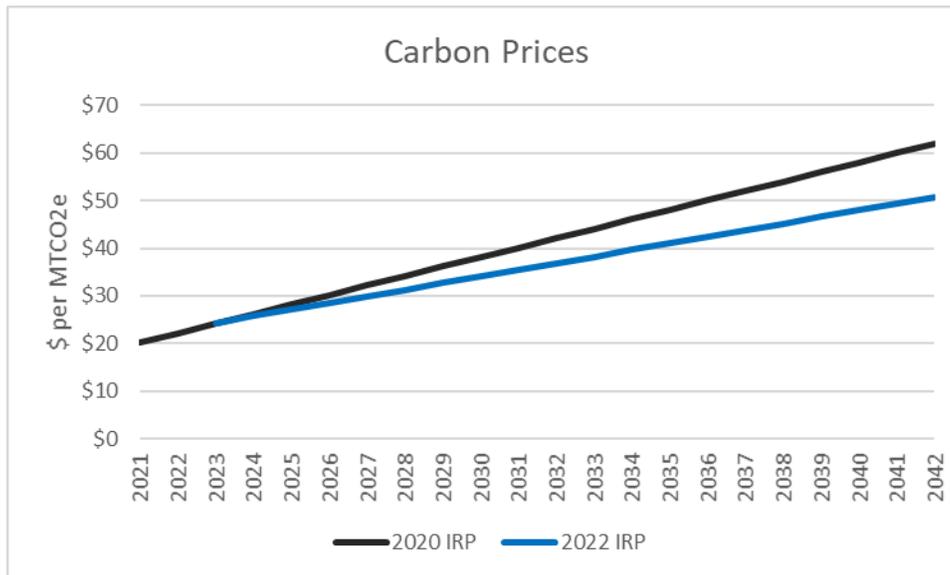
An updated electricity price simulation was conducted for this Progress Report, using the same tool —Energy Exemplar’s Aurora forecasting software — to simulate the supply and demand fundamentals of the physical power market to produce a long-term power price forecast. Using factors such as the economic and performance characteristics of supply resources, regional demand, and zonal transmission constraints, Aurora simulates the WECC system to determine an adequate generation portfolio, constrained by the limitations of the transmission network, that work together to serve load. The model simulates resource dispatch which is used to create long-term price and capacity expansion forecasts.

The main changes in assumptions for model inputs for the 2022 Progress Report are primarily twofold: higher natural gas prices described above and the implementation of carbon pricing in Washington State for the Production Cost Model Aurora run. For the 2020 IRP, the social cost of carbon was already applied during the Capacity Expansion Aurora run to develop a new resource stack, as required by 2019’s Clean Energy Transformation Act (CETA). One provision of this new law requires utilities to consider the social cost of carbon in resource planning, evaluation, and selection. The values provided by the Washington State Department of Commerce for the social cost of carbon are summarized in the figure below. The new resource stack from the Capacity Expansion run was then fed into a Long-Term Production Cost Model run with the social cost of carbon removed, since the social cost of carbon will not affect dispatch decisions in real life.

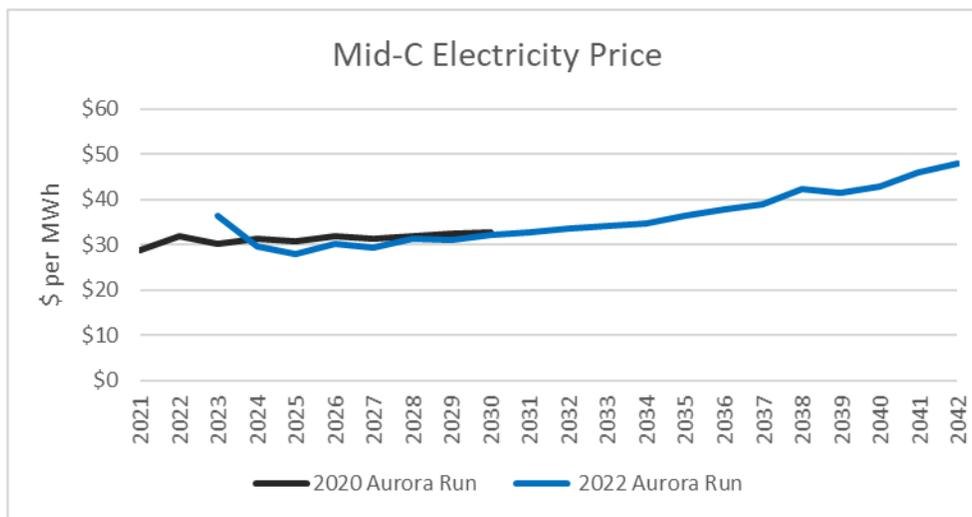
Year in Which Emissions Occur or Are Avoided	Social Cost of Carbon Dioxide (in 2007 dollars per metric ton)	Social Cost of Carbon Dioxide (in 2018 dollars per metric ton)
2020	\$62	\$74
2025	\$68	\$81
2030	\$73	\$87
2035	\$78	\$93
2040	\$84	\$100
2045	\$89	\$106
2050	\$95	\$113

With the passage of the Climate Commitment Act (CCA) in 2021 in Washington State, however, there is now a carbon market coming to Washington State starting in 2023. Although much is still unknown regarding how the CCA will operate, including pricing, the 2022 price forecast assumed carbon prices in Washington would approximate California carbon prices. Current thinking is that at some future period there may be linkage between the Washington, Oregon,

and California programs, therefore, the carbon price assumptions are based on a linear regression of the California quarterly auction settles since the start of the program nearly a decade ago. The carbon price assumptions used in the 2020 and 2022 IRP market price forecast are summarized in the chart below.



The 2020 IRP market price forecast was for the 2021 through 2030 period. The market price forecast for the 2022 Progress Report, shown below, is for the 2022 through 2044 period. Forecast results are comparable with the largest difference stemming from notably higher natural gas prices in the 2022 forecast. Recent (February 2022) higher natural gas prices have had a direct impact on the market price forecast results for the first year of the 2022 Progress study period (2023). Prices then stabilize and remain within a couple of dollars for the rest of the mutual years of the study periods (2024 through 2030).



The relatively minor change in the market price forecast since 2020 can be largely explained by the fact that hydrogeneration remains the dominant resource in the Pacific Northwest, and with renewable buildout similar in the two market price forecast studies, hydro is often the marginal unit. The higher gas prices, therefore, do not have as much of an impact on the overall energy price stream. Keep in mind, the Aurora market price forecast is the result of a long-term capacity expansion model based upon market fundamental assumptions. As such it does not consider the risk of extreme capacity events, nor does it apply a risk premium or energy price forecast volatility over the study period the way the actual forward curve does.

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON CO., WA.**

**TREASURER'S REPORT TO COMMISSION FOR JULY 2022**

Aug 1, 2022

Final

REVENUE FUND:		RECEIPTS	DISBURSEMENTS	BALANCE
07/01/22	<b>Cash Balance</b>			\$ 2,395,969.37
	Collections	\$ 13,606,252.66		
	Bank Interest Earned	-		
	Investments Matured	10,467,131.41		
	Miscellaneous - BAB's Subsidy	-		
	Transfer from Debt Service Fund	-		
	EFT Taxes		\$ 853,645.71	
	Checks Paid		928,806.63	
	Debt Service to Unrestricted		-	
	Debt Service to Restricted		468,564.41	
	Investments Purchased		10,004,512.39	
	Deferred Compensation		69,179.96	
	Department of Retirement Systems		288,996.27	
	Purchase Inv		-	
	Special Fund-Construction Funds		-	
	Purchased Power		2,275,546.34	
	Direct Deposit - Payroll & AP		4,329,466.49	
	Credit Card Fees		34,211.80	
	Miscellaneous - Purchase Investment Interest		29,864.11	
	Sub-total	\$ 24,073,384.07	\$ 19,282,794.11	
07/31/22	<b>Cash Balance</b>			<b>\$ 7,186,559.33</b>

Investment Activity	Balance 07/01/22	Purchased	Matured	LGIP Interest	Balance 07/31/22
	\$56,414,963.81	10,443,644.41	10,467,131.41	\$29,432.39	\$56,420,909.20

Check Activity	Balance 07/01/22	Issued	Redeemed	Cancelled*	Balance 07/31/22
	\$290,161.42	\$928,390.42	\$928,806.63	\$82,750.52	\$206,994.69

Unrestricted Reserves:	07/01/22	07/31/22	Change
Minimum Operating Reserves (90 DCOH) Incl. RSA <sup>(1)</sup>	\$ 38,639,970.00	\$ 38,639,970.00	\$ -
Designated Reserves (Bond Insurance Replacement)	-	-	-
Designated Reserves (Customer Deposits Account)	1,900,000.00	1,900,000.00	-
Designated Reserves (Power Market Volatility Account)	12,000,000.00	12,000,000.00	-
Designated Reserves (Special Capital Account)	9,365,672.96	9,365,672.96	-
Undesignated Reserves (DCOH -3 days)(2)	(5,549,503.39)	(1,221,532.45)	4,327,970.94
<b>Unrestricted Reserves Total**</b>	<b>\$ 56,356,139.57</b>	<b>\$ 60,684,110.51</b>	<b>\$ 4,327,970.94</b>
DCOH - Beginning and Ending of Month	131	141	
DCOH - Year-end Projection (Unrestricted \$52.8M)	123	123	
<b>Restricted Reserves:</b>			
Bond Reserve Account	\$ 108,200.00	\$ 108,200.00	\$ -
Bond Redemption Accounts	2,346,593.62	2,815,158.03	468,564.41
<b>Restricted Reserves Total</b>	<b>2,454,793.62</b>	<b>2,923,358.03</b>	<b>468,564.41</b>
<b>TOTAL RESERVES</b>	<b>\$ 58,810,933.19</b>	<b>\$ 63,607,468.54</b>	<b>\$ 4,796,535.35</b>

(1) RSA (Rate Stabilization Account): \$7,500,000.00

(2) Undesignated Reserves are periodically reviewed to reallocate to the Designated Reserve accounts

Prepared by: Keith Mercer  
Keith Mercer, Treasurer

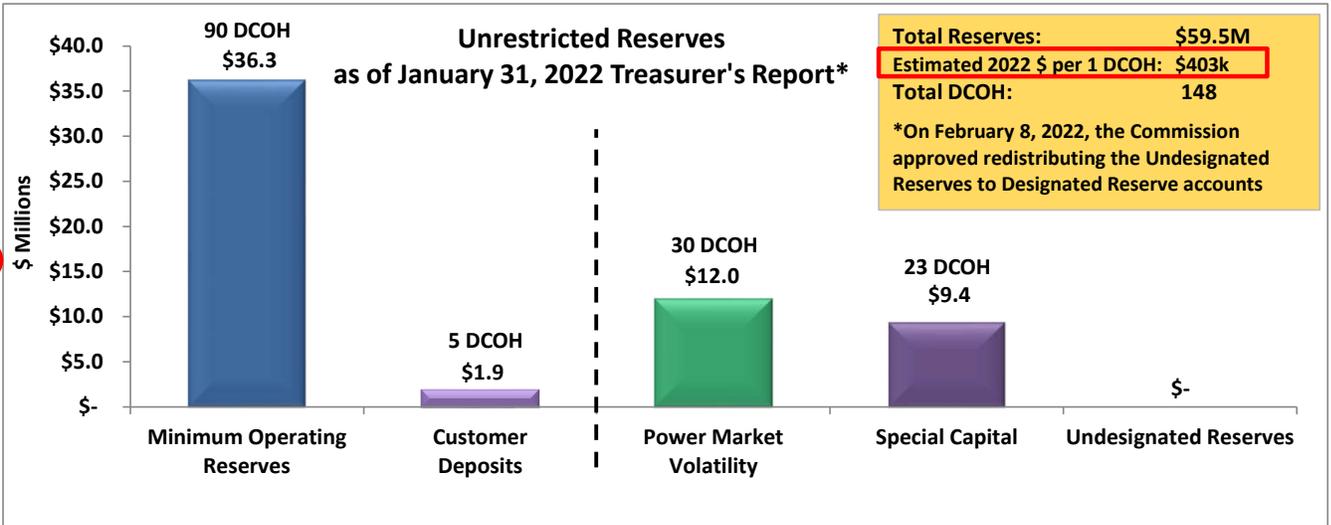
Certified by: Jon Meyer  
Jon Meyer, Auditor

\*\* Balance includes \$4.3M for BPA's June Power bill that was not due until August due to the late issuance by BPA. This bill typically would have been paid in July which would have resulted in a lower reserve balance at month end.

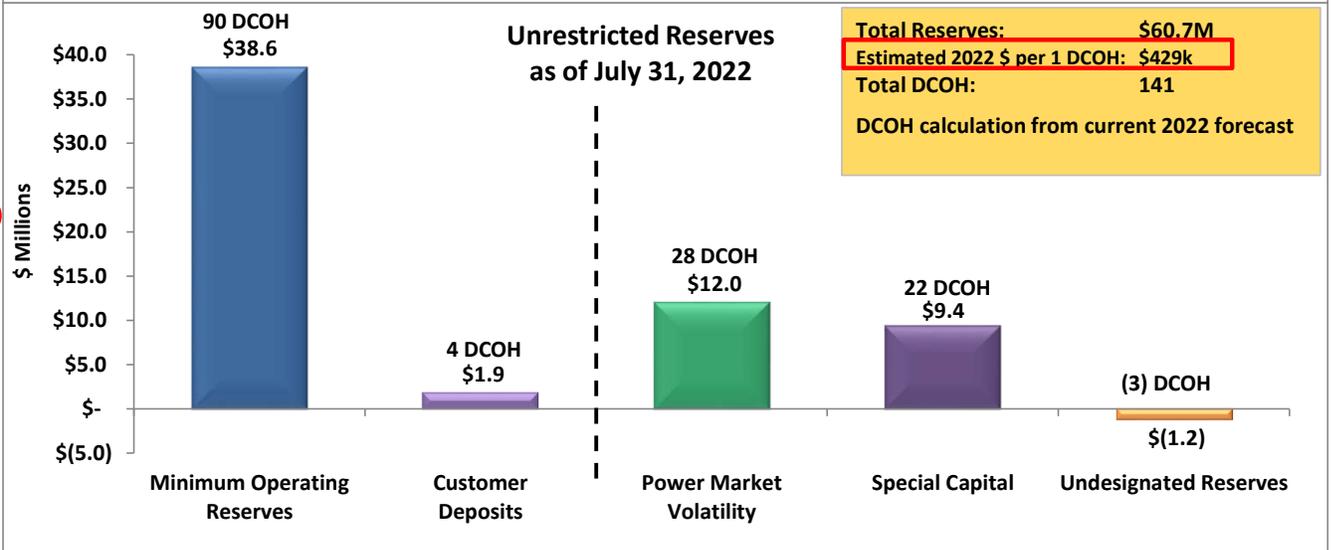


## Unrestricted Reserves and Days Cash on Hand (DCOH)

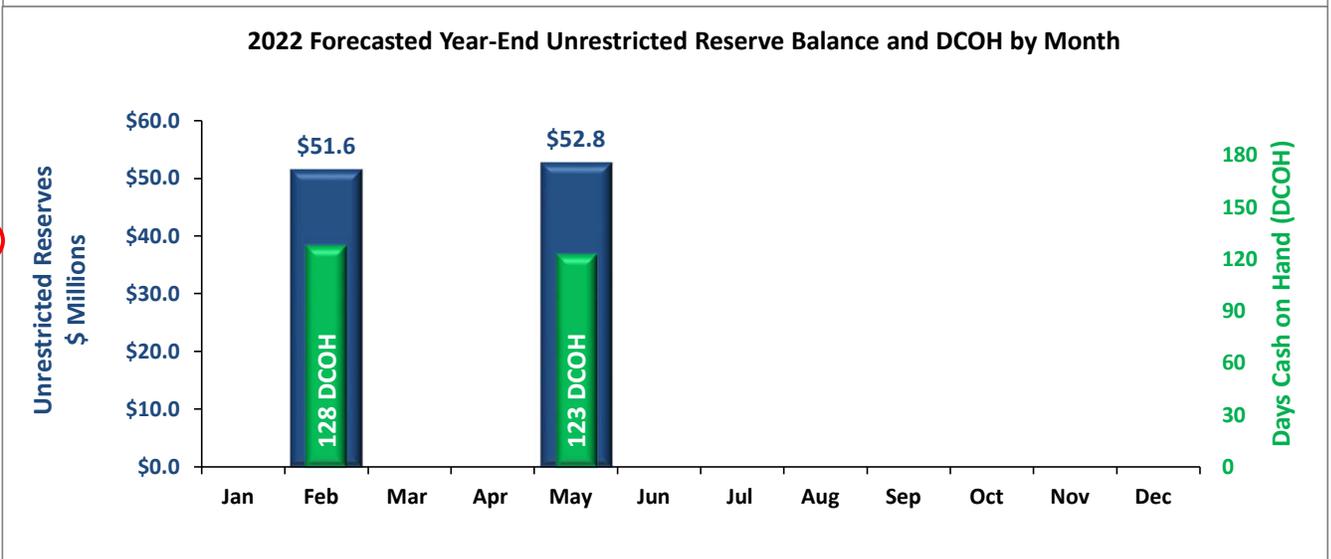
#1

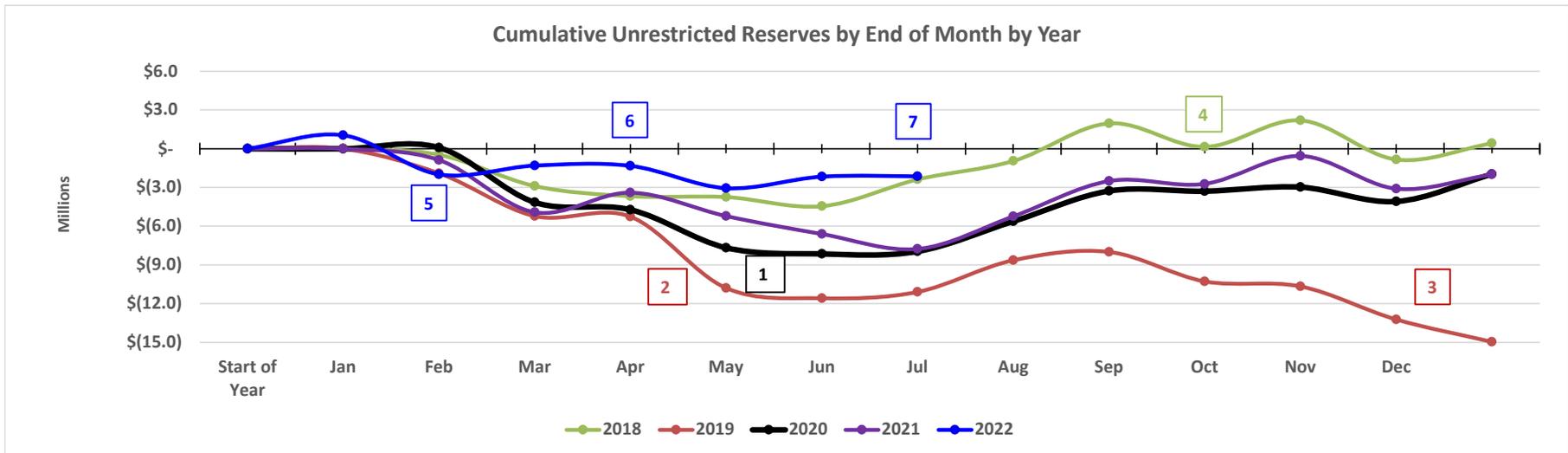


#2



#3





Note: Starting in 2019, the Privilege Tax due date changed to February. Prior to 2019, the Privilege Tax due date and payment was in May. Privilege Tax payments were moved to February for 2018 - 2016 for comparison purposes. Also, any money received from issuing bonds was removed for comparison purposes (i.e. 2020 bond issue).

**Other Notable Information:**

Weather can play a major factor with customer loads (retail revenue) and slice generation that can ultimately increase or decrease the District's Unrestricted Reserves.

1. (2020 - April) Reserves were drawn down an additional \$2.2 million due to two factors. First, April included a third payroll and fifth accounts payable cycle because of how the calendar aligned with these cycles (~\$1.5 million timing issue). In previous years, May included these additional cycles. Second, past due accounts are above normal levels (~\$0.7 million higher).
2. (2019 - March/April) Reserves were drawn down due to February/March power market volatility event (~\$5 million).
3. (2019 - October - December) Reserves were drawn down due to large capital expenditures paid in the 4th quarter of 2019.
4. (2018 - August) power market volatility event (~\$1.5 million).
5. (2022 - February) Adjusted balance down ~\$6.3 million for January BPA invoices that were paid in March due to timing of when the invoices were issued. These invoices are typically paid in February.
6. (2022 - April) Adjusted balance down ~\$5.7 million for March BPA invoices that were paid in May due to timing of when the invoices were issued. These invoices are typically paid in April.
7. (2022 - July) Adjusted balance down ~\$4.3 million for June BPA Power invoice that was paid in August due to timing of when the invoice was issued. This invoice is typically paid in July.



Credit Exposure Report: Public Utility District No. 1 of Benton County, Washington

as of Jul 31,2022

CounterParty	Unsecured Credit	Guaranty	Collateral	Total Credit	Credit Available	% Available	Billed	Unbilled	Forward Exposure	Total Exposure	Unsecured Exposure
<b>American Electric Power Service Corporation</b>											
WSPP	800,000	0	0	800,000	800,000	100%	0	0	0	0	0
<b>Arizona Public Service Company</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Avista Corporation</b>											
WSPP	300,000	0	0	300,000	300,000	100%	0	0	0	0	0
<b>Bonneville Power Administration</b>											
WSPP	0	0	0	0	0	0%	0	0	0	0	0
Transmission	0	0	0	0	0	0%	0	0	0	0	0
<b>BP Energy Company</b>											
ISDA	0	2,900,000	0	2,900,000	2,900,911	100%	0	0	(911)	(911)	(911)
WSPP	0	0	0	0	0	0%	0	0	0	0	0
<b>Cargill Power Markets, LLC</b>											
WSPP	0	0	0	0	0	0%	0	0	0	0	0
<b>Citigroup Energy Inc.</b>											
ISDA w/ Pwr Anx	0	3,000,000	0	3,000,000	10,340	0%	0	0	2,989,660	2,989,660	2,989,660
<b>City of Seattle, by and through its City Light Dept</b>											
WSPP	2,250,000	0	0	2,250,000	2,250,000	100%	0	0	0	0	0
<b>Clatskanie People's Utility District</b>											
WSPP	1,000,000	0	0	1,000,000	1,000,000	100%	0	0	0	0	0
<b>ConocoPhillips Company</b>											
NAESB	4,000,000	0	0	4,000,000	4,000,000	100%	0	0	0	0	0
<b>Constellation Energy Generation, LLC</b>											
ISDA	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>CP Energy Marketing (US) Inc.</b>											
WSPP	0	2,000,000	0	2,000,000	2,000,000	100%	0	0	0	0	0
<b>EDF Trading North America, LLC</b>											
ISDA w/ Pwr Anx	0	4,000,000	0	4,000,000	2,805,704	70%	0	0	1,194,296	1,194,296	1,194,296
<b>Eugene Water &amp; Electric Board</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>FortisBC Energy Inc.</b>											
Gas EDI	0	0	0	0	0	0%	0	0	0	0	0
<b>Grant County Public Utility District No. 2</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Idaho Falls Power</b>											
WSPP	2,375,000	0	0	2,375,000	2,375,000	100%	0	0	0	0	0
<b>Idaho Power Company</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0



## Credit Exposure Report: Public Utility District No. 1 of Benton County, Washington

as of Jul 31,2022

CounterParty	Unsecured Credit	Guaranty	Collateral	Total Credit	Credit Available	% Available	Billed	Unbilled	Forward Exposure	Total Exposure	Unsecured Exposure
<b>IGI Resources, Inc.</b>											
Gas	0	100,000	0	100,000	100,000	100%	0	0	0	0	0
<b>J. Aron &amp; Company LLC</b>											
WSPP	0	4,000,000	0	4,000,000	4,000,000	100%	0	0	0	0	0
<b>Macquarie Energy, LLC</b>											
ISDA w/ Pwr Anx	0	2,150,000	0	2,150,000	1,683,908	78%	0	0	466,092	466,092	466,092
<b>Morgan Stanley Capital Group Inc.</b>											
ISDA	0	4,000,000	0	4,000,000	2,985,249	75%	0	0	1,014,751	1,014,751	1,014,751
<b>Northwest Pipeline Corporation</b>											
Transportation (I)	0	0	0	0	0	0%	0	0	0	0	0
<b>NorthWestern Corporation d/b/a NorthWestern Energy</b>											
WSPP	1,400,000	0	0	1,400,000	1,400,000	100%	0	0	0	0	0
<b>PacifiCorp</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Portland General Electric Company</b>											
WSPP	2,000,000	0	0	2,000,000	2,000,000	100%	0	0	0	0	0
<b>Powerex Corp.</b>											
ISDA	0	1,200,000	0	1,200,000	1,099,214	92%	0	(55,513)	156,299	100,786	100,786
WSPP	0	0	0	0	0	0%	0	0	0	0	0
NAESB	0	0	0	0	0	0%	0	0	0	0	0
<b>Public Service Company of Colorado</b>											
WSPP	1,567,500	0	0	1,567,500	1,567,500	100%	0	0	0	0	0
<b>Public Utility District No. 1 of Chelan County, Washington</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Public Utility District No. 1 of Clark County, Washington</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Public Utility District No. 1 of Cowlitz County, Washington</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Public Utility District No. 1 of Franklin County, Washington</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Public Utility District No. 1 of Grays Harbor County, Washington</b>											
WSPP	2,875,000	0	0	2,875,000	2,875,000	100%	0	0	0	0	0
<b>Public Utility District No. 1 of Klickitat County, Washington</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Public Utility District No. 1 of Snohomish County</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Public Utility District No. 3 of Mason County</b>											



Credit Exposure Report: Public Utility District No. 1 of Benton County, Washington

as of Jul 31,2022

CounterParty	Unsecured Credit	Guaranty	Collateral	Total Credit	Credit Available	% Available	Billed	Unbilled	Forward Exposure	Total Exposure	Unsecured Exposure
WSPP	1,875,000	0	0	1,875,000	1,870,340	100%	1,649	2,997	14	4,660	4,660
<b>Puget Sound Energy Inc.</b>											
NAESB	2,000,000	0	0	2,000,000	2,000,000	100%	0	0	0	0	0
<b>Sacramento Municipal Utility District</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Shell Energy North America (Canada), Inc.</b>											
NAESB	100,000	0	0	100,000	100,000	100%	0	0	0	0	0
<b>Shell Energy North America (US), L.P.</b>											
ISDA	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Tacoma Power</b>											
WSPP	3,000,000	0	0	3,000,000	3,000,000	100%	0	0	0	0	0
<b>Talen Energy Marketing, LLC</b>											
WSPP	0	0	0	0	0	0%	0	0	0	0	0
<b>Tenaska Marketing Ventures</b>											
NAESB	0	0	0	0	0	0%	0	0	0	0	0
<b>Tenaska Power Services Company</b>											
WSPP	0	0	0	0	0	0%	0	0	0	0	0
<b>The Energy Authority, Inc.</b>											
RMA	4,000,000	0	0	4,000,000	4,000,000	100%	0	0	0	0	0
<b>TransAlta Energy Marketing (U.S.), Inc.</b>											
ISDA	0	0	0	0	0	0%	0	0	0	0	0
<b>Westcoast Energy, Inc.</b>											
Transportation (F)	0	0	0	0	0	0%	0	0	0	0	0

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

---

Date: July 26, 2022

Time: 9:00 a.m.

Place: 2721 West 10<sup>th</sup> Avenue, Kennewick, Washington

***Attendees (in person):***

Commissioner 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 Johnson

Director of IT and Broadband Services Folta

Manager of Risk Management and Treasury Operations Mercer

Manager of Human Resources Dunlap

Manager of System Engineering Edwards

Manager of Customer Service McAloon

Senior Engineer Scherer

Supervisor of Distribution Design Lang

Supervisor of Executive Administration/Clerk of the Board Marshall

***Attendees (virtual):***

Manager of Human Resources Dunlap

Manager of Accounting Zirker

Manager of Customer Engagement Sparks

Manager of Contracts & Purchasing Ochweri

Manager of Customer Service McAloon

Manager of Communications and Governmental Relations Henderson

Superintendent of Transmission & Distribution Inman

Cyber Security Engineer Holgate

***Public:***

Mr. Charles Barnett

---

The pledge of allegiance was given.

Member of the Public, Mr. Charles Barnett informed the Commissioners that he and his wife own the property across the road from the District's Benton City Substation. Mr. Barnett indicated he had sold a small portion of his property to the District many years ago on which the District

constructed a high voltage distribution feeder structure with associated equipment acting as an extension of the space limited Benton City Substation. In early 2020 the District completed a remodel of the Benton City Substation which included decommissioning and abandonment of the structures and equipment on Mr. Barnett's property. Mr. Barnett expressed his interest in purchasing back the small portion of property currently owned by the District. Assistant General Manager informed Mr. Barnett that staff would evaluate the District's needs and then contact him to discuss this request.

### **Consent Agenda**

Motion by Barry Bush, seconded by Jeff Hall 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 Resolution No. 2607 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 the same.
  - e) Authorizing the General Manager on behalf of the District to sign Contract Completion and Acceptance for Riverfront Substation Bay 1 Turn-Key LTC Retrofit by Reinhausen Manufacturing, Inc. for Contract #19-02, (CPO #52433), in the amount of \$254,385.39.
  - f) Awarding the contract for 4-inch schedule 40 Conduit, Bid Package #22-39-01 to Consolidated Electrical Distributors of Richland, WA for the total amount of \$198,360.00 plus Washington State sales tax in accordance with RCW 54.04.080.
  - g) Declaring Howard Industries non-responsive and award the contract for Single Phase Step Voltage Regulators to Border States Electric / Siemens of Fargo, ND, Bid Package #22-21-143, for a total amount of \$227,352.00 plus Washington State sales tax in accordance with RCW 54.05.080.
  - h) Reviewing Conservation Rebate Report for 2<sup>nd</sup> quarter 2022.
  - i) Reviewing Quarterly Contract Activity Report to Commission.
  - j) Reviewing Broadband Service Orders Report to Commission.
  - k) Approving the amended Designation of Representatives to Various Organizations for 2022, changing various organizational representatives as presented today.
- MOTION PASSED UNANIMOUSLY.

## Report from Management

### *General Manager:*

1. General Manager informed the Commission he was invited to participate in a virtual meeting this afternoon with Governor Inslee and Senator Murray regarding their recently released draft report on possibilities for replacing the benefits of the Lower Snake River dams. General Manager reviewed key points he hopes to make in the meeting primarily centered on the draft reports bias toward diminishing the importance of the dam's power production capabilities.
2. Representative Dan Newhouse is hosting a Save Our Dams community rally next Monday, August 1, 2022 at Howard Amon park in Richland. Staff will forward the details to commissioners and employees.
3. General Manager informed the Commission he has been invited to participate in a meeting at TRIDEC on August 9, 2022 with representatives of The Nature Conservancy.
4. General Manager and Assistant General Manager shared an update and the details of the Bonneville Power Administration's (BPA) plans to upgrade their Tri-Cities area transmission system. Assistant General Manager showed a map of the proposed Webber Canyon Substation and two potential routes through Badger Canyon for the 115-kilovolt transmission line planned for interconnection at BPA's Badger switchyard located near the Meadow Springs area in Richland. General Manager informed the Commission of a meeting he has scheduled with BPA Administrator, John Hairston. General Manager plans to extend the meeting invitation to other Tri-Cities area utility General Managers. General Manager will return to a future commission meeting to give a briefing and presentation on the updated BPA Resource Program study results.

### *Director of Power Management:*

1. Director gave a Rural Economic Development Fund presentation and provided follow up from a previous commission meeting regarding staff's recommendation to dissolve the fund via resolution due to lack of utilization and to grant \$50,000 (the tax credit the District received) to qualifying project as allowed by RCW 82.16.0491. Staff are proposing granting the \$50,000 to Sunnyslope homes with the Housing Authority in Kennewick for the installation of approximately 36 heat pumps. These funds would be in addition to the BPA conservation rebates and therefore cover nearly all the costs for these heat pumps. Energy savings from these heat pumps would qualify toward our EIA conservation targets and CETA Low-Income customer reporting requirements. Commissioners concurred with staff's recommendation. Staff will return to a future commission meeting with a resolution that dissolves the fund for the Commission to consider.
2. Director gave a power supply update presentation.

*Senior Director of Finance and Customer Services:*

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

At 9:55 a.m., Commissioner Lori Sanders announced the commission meeting would recess for 5 minutes.

At 10:00 a.m., Commissioner Lori Sanders announced the commission meeting would reconvene into regular open session.

## **Business Agenda**

### **Benton PUD 2022 Integrated Resource Plan Progress Report, Review Draft and Motion to Set Public Hearing**

Senior Engineer gave a draft 2022 Integrated Resource Plan (IRP) presentation. The purpose of the presentation was to review the draft IRP and also recommend the Commissioners set a public hearing for August 9, 2022, at 9:00 a.m. to allow additional public comment prior to the commission considering final approval and adoption.

Motion by Jeff Hall, seconded by Barry Bush setting a Public Hearing on the District's 2022 Integrated Resource Plan Progress Report final draft for August 9, 2022, at 9:00 a.m., to be held at the District's Administration Office located at 2721 West 10<sup>th</sup> Avenue, Washington and accessible via MS Teams conference call at 1-323-553-2644, conference ID 574 892 679# to allow additional public comment prior to the commission considering final approval and adoption.

MOTION PASSED UNANIMOUSLY.

### **2022-2026 Strategic Plan, 2022 Mid-Year Progress Report**

General Manager reviewed the 2022 Strategic Planning Mid-year progress report. A discussion was held on the two upcoming commission work sessions on Demand Response and Advanced Nuclear.

### **Other Business**

General Manager informed the Commissioners the Horse Heaven wind project will be topic of discussion for the Badger Club meeting scheduled for August 18, 2022, from 12:00 – 1:30 p.m.

Commissioner Lori Sanders asked Legal Counsel Dahlhauser if the District could provide information and education to the main opponent running against Senator Murray in the current election. A brief discussion was held on this topic. Legal Counsel will return with an answer on Commissioner Sanders request.

Hearing no objection, Commission President Lori Sanders concluded the Commission Meeting at 10:54 a.m.

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Lori Kays-Sanders, President

ATTEST:

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Jeffrey D. Hall, Secretary

## *Periodic Travel Report - August 9, 2022*

<i>Date Start</i>	<i>Business Days</i>	<i>Name</i>	<i>City</i>	<i>Purpose</i>
8/2/2022	2	Johnson, Chris	Stevenson, WA	2022 TEA PARTNER MEETING
8/8/2022	4	DeFord, Spencer	Bellevue, WA	TECHMENTOR 2022
8/22/2022	5	Mitchell, Rosa	Seattle, WA	NORTHWEST ELECTRIC METER SCHOOL - TRACK E
9/12/2022	5	Schafer, John	Missoula, MT	NWPPA ENVIRONMENTAL TASK FORCE, HAZWOPER AND SPCC PLAN DEVELOPMENT
9/27/2022	1	Siegel, David	Prineville, OR	PICK-UP REPAIRED WATER TRUCK
9/27/2022	1	Pyle, Lance	Prineville, OR	PICK-UP REPAIRED WATER TRUCK



**PAYMENT APPROVAL**  
**August 9, 2022**

The vouchers presented on this Payment Approval Report for approval by the Board of Commissioners have been audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims by officers and employees have been certified as required by RCW 42.24.090.

Type of Payment	Starting #	Ending #	Page #	Amount
<b>Accounts Payable:</b>				
Automated Clearing House (DD) Payments	92373 -	92452 -	1 - 10	\$ 1,519,120.46
Checks & Customer Refund Payments (CHK)	84219 -	84309 -	11 - 17	\$ 462,961.32
Electronic Fund Transfer (WIRE) Payments	6280 -	6288	18 - 19	\$ 2,705,055.68
<b>Residential Conservation Rebates:</b>				
Credits on Customer Accounts			20	\$ 30.00
<b>Purchase Card Detail:</b>				
<b>Payroll:</b>				
Direct Deposit - 7/21/2022	92211 -	92372 -		\$ 445,500.79
<b>TOTAL</b>				<b>\$ 5,132,668.25</b>
<b>Void DD</b>				
<b>Void Checks</b>		July 2022	11	\$ 250.00
<b>Void Wires</b>				

*I, the undersigned Auditor of Public Utility District No. 1 of Benton County, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claims identified in this report are just, due and unpaid obligations against the District and that I am authorized to authenticate and certify to said claims.*

  
 Jon L. Meyer, Auditor 8/2/2022  
Date

**Reviewed by:**

  
 Rick Dunn, General Manager

**Approved by:**

\_\_\_\_\_  
 Lori Kays-Sanders, President

\_\_\_\_\_  
 Barry A. Bush, Vice-President

\_\_\_\_\_  
 Jeffrey D. Hall, Secretary

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# Accounts Payable Check Register

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**Bank Account: 1 - Benton PUD ACH/Wire**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
92373 7/20/22	DD	10336	3DEGREES GROUP, INC.	REC - WA Compliance	67,708.40
92374 7/20/22	DD	475	ABM JANITORIAL SERVICES	Janitorial Svc	4,034.59
				Janitorial Svc	4,892.44
				Janitorial Svc	1,481.34
<b>Total for Check/Tran - 92374:</b>					10,408.37
92375 7/20/22	DD	3598	ALDEN SYSTEMS, INC.	Subscription Fee	4,080.00
92376 7/20/22	DD	963	ANIXTER INC.	Eaton/Cooper Cap Cable Cords	3,973.24
				Material	50,638.56
<b>Total for Check/Tran - 92376:</b>					54,611.80
92377 7/20/22	DD	811	ARAMARK UNIFORM SERVICES	Weekly Svc	44.25
				Weekly Svc	43.97
				Weekly Svc	30.52
				Weekly Svc	32.04
				Weekly Svc	21.93
<b>Total for Check/Tran - 92377:</b>					172.71
92378 7/20/22	DD	36	BENTON PUD - REVOLVING FUND-MAI	Easement Fee 624342	206.50
92379 7/20/22	DD	3828	BORDER STATES INDUSTRIES, INC.	Bolt, Machine Square, 7/8 IN x 4 IN	303.40
				CT 200:5	9,444.94
				DA Bolts; 5/8x22, #J8872, or H	436.05
				CLEVIS INSUL 9 SQ D	1,723.25
				Material PO 55477	1,114.22
				Credit PO 55477	-1,114.22
				Brooks Socket Jaw Tester	1,115.53
<b>Total for Check/Tran - 92379:</b>					13,023.17
92380 7/20/22	DD	10837	CAMPBELL & COMPANY SERVICE COR	REEP	500.00
				REEP	1,100.00
				REEP	1,100.00
				REEP	1,100.00

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**Bank Account: 1 - Benton PUD ACH/Wire**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				REEP	1,100.00
				REEP	1,100.00
<b>Total for Check/Tran - 92380:</b>					6,000.00
92381 7/20/22	DD	3347	CANON BUSINESS SOLUTIONS, INC.	Monthly Billing	186.87
				Monthly Billing	17.81
				Monthly Billing	368.38
<b>Total for Check/Tran - 92381:</b>					573.06
92382 7/20/22	DD	10491	KELLY R COBB	Gloves	19.00
92383 7/20/22	DD	2972	COMPUNET, INC.	Monthly Subscription	7,348.21
92384 7/20/22	DD	57	CONSOLIDATED ELECTRICAL DISTRI	CONDUIT PVC SCH 40 2 IN	34,526.46
				Material	36,646.85
				CONDUIT PVC SCH 40 4 IN	37,353.64
				CONDUIT PVC SCH 40 4 IN	18,676.82
				BEND 90 SCH 40 2 IN 36 R	8,145.00
<b>Total for Check/Tran - 92384:</b>					135,348.77
92385 7/20/22	DD	3167	COOPERATIVE RESPONSE CENTER, IN	CRC User Link/Multispeak OMS	10,555.55
92386 7/20/22	DD	375	DAYCO HEATING & AIR	REEP	700.00
				REEP	700.00
				REEP	700.00
				REEP	700.00
				REEP	700.00
				REEP	1,300.00
				REEP	700.00
				REEP	500.00
				REEP	500.00
				REEP	500.00
				REEP	500.00
				REEP	500.00

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				REEP	500.00
				REEP	500.00
				REEP	500.00
				REEP	500.00
				REEP	700.00
				REEP	700.00
				REEP	700.00
				REEP	700.00
				REEP	700.00
				REEP	700.00
				REEP	1,300.00
				REEP	700.00
				REEP	1,300.00
				REEP	700.00
				<b>Total for Check/Tran - 92386:</b>	18,200.00
92387 7/20/22	DD	3029	DELTA HEATING & COOLING, INC.	REEP	500.00
				REEP	6,200.00
				REEP	500.00
				REEP	500.00
				<b>Total for Check/Tran - 92387:</b>	7,700.00
92388 7/20/22	DD	2776	DLT SOLUTIONS	AutoCAD License	4,418.89
92389 7/20/22	DD	2775	DWAYNE LANE'S CHRYSLER DODGE	2022 Ram Truck	44,010.57
92390 7/20/22	DD	2898	ELECTRICAL CONSULTANTS, INC.	Professional Svc	6,902.50
				Professional Svc	18,547.00
				Professional Svc	3,342.00
				Professional Service	18,785.50
				Professional Service	2,002.00
				<b>Total for Check/Tran - 92390:</b>	49,579.00

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**Bank Account: 1 - Benton PUD ACH/Wire**

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
92391	7/20/22	DD	412	ERMCO	Transformers	-46.26
					Transformers	58,995.72
<b>Total for Check/Tran - 92391:</b>						58,949.46
92392	7/20/22	DD	10853	GI CONSULTING & DESIGN, LLC	Consulting Svc	325.00
					Consulting Svc	5,800.00
<b>Total for Check/Tran - 92392:</b>						6,125.00
92393	7/20/22	DD	10883	GREAT BLUE RESEARCH, INC.	2022 Transactional Survey	6,250.00
92394	7/20/22	DD	3171	JODI A HENDERSON	FWEE Hydropower & STEM Career Activity	364.79
					WPUDA Mtg	219.36
<b>Total for Check/Tran - 92394:</b>						584.15
92395	7/20/22	DD	3018	HRA VEBA TRUST	MSA / VEBA Trust - ER	50.00
					MSA / VEBA Trust - ER CDHP	375.00
<b>Total for Check/Tran - 92395:</b>						425.00
92396	7/20/22	DD	1632	INTERCONTINENTAL EXCHANGE, INC.	Ice Trade Vault Charges	375.00
92397	7/20/22	DD	10660	IRBY ELECTRICAL UTILITIES	SPL STR 600A 1000 KCM 175	18,763.91
92398	7/20/22	DD	511	IRZ CONSULTING, LLC	Demand Response Project	750.00
92399	7/20/22	DD	214	JACOBS & RHODES	REEP	800.00
					REEP	1,100.00
<b>Total for Check/Tran - 92399:</b>						1,900.00
92400	7/20/22	DD	10175	K&L GATES, LLP	Nuclear Power Project Legal Authority	3,650.40
92401	7/20/22	DD	3644	LOOMIS	Kiosk/Insurance/Fuel Svc/ATM	1,938.99
					Safepoint Svc	660.79
					Safepoint Svc	624.20
<b>Total for Check/Tran - 92401:</b>						3,223.98
92402	7/20/22	DD	3821	NISC	Postage/Online Pymt Svc/ACH	983.16
					Postage/Online Pymt Svc/ACH	658.11

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**Bank Account: 1 - Benton PUD ACH/Wire**

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Postage/Online Pymt Svc/ACH	31.06
					Software License	7,952.80
					Software License	2,356.38
					Software License	3,534.57
					Software License	15,611.03
					Mail Svc/Envelopes/Print Svc/Postage	28,000.09
<b>Total for Check/Tran - 92402:</b>						59,127.20
92403	7/20/22	DD	919	NOANET	Broadband Billing	16,656.71
					Broadband Billing	66,626.86
					Co-Location Kennewick Verizon	1,460.00
<b>Total for Check/Tran - 92403:</b>						84,743.57
92404	7/20/22	DD	10769	ONEBRIDGE BENEFITS INC.	Flex Spending Dependent Care	636.55
					Flex Spending Health Care	2,407.27
<b>Total for Check/Tran - 92404:</b>						3,043.82
92405	7/20/22	DD	3162	ONLINE INFORMATION SERVICES, IN	Online Utility Exchange	-106.37
					Online Utility Exchange	1,343.23
<b>Total for Check/Tran - 92405:</b>						1,236.86
92406	7/20/22	DD	2176	PACIFIC OFFICE AUTOMATION, INC.	Monthly Billing	67.83
					Monthly Billing	320.89
					Monthly Billing	53.96
					Monthly Billing	11.06
<b>Total for Check/Tran - 92406:</b>						453.74
92407	7/20/22	DD	585	PARADISE BOTTLED WATER CO.	Monthly Billing	67.25
					Monthly billing	737.03
<b>Total for Check/Tran - 92407:</b>						804.28
92408	7/20/22	DD	10095	PASCO TIRE FACTORY, INC.	Tires	1,595.53
92409	7/20/22	DD	10845	PS MEDIA, INC.	Graphic Design - Summer Newsletter	2,030.00
92410	7/20/22	DD	2154	SENSUS USA, INC.	Alert Mgr/SAAS fee/ AEM Svc/Flexnet	5,604.11

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**Bank Account: 1 - Benton PUD ACH/Wire**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Alert Mgr/SAAS fee/ AEM Svc/Flexnet	9,056.90
				Alert Mgr/SAAS fee/ AEM Svc/Flexnet	4,145.93
<b>Total for Check/Tran - 92410:</b>					18,806.94
92411 7/20/22	DD	1048	UNITED WAY OF BENTON & FRANKL	EE United Way Contribution	401.23
92412 7/20/22	DD	10154	US PAYMENTS, LLC	Kiosk/Pay Site Fee/Card Processing Fee	475.53
				Kiosk/Pay Site Fee/Card Processing Fee	1,440.00
<b>Total for Check/Tran - 92412:</b>					1,915.53
92413 7/20/22	DD	272	UTILITIES UNDERGROUND LOCATION	Underground Locate	847.53
92414 7/20/22	DD	4104	VAN BELLE EXCAVATING, LLC	Snow Removal	3,230.85
92415 7/20/22	DD	10887	VITAL RECORDS HOLDINGS, LLC	Records Storage Svc	119.50
				Records Storage	100.00
<b>Total for Check/Tran - 92415:</b>					219.50
92416 7/27/22	DD	215	ALLAN ELECTRIC	AMI	510.05
				Install Lobby Lighting	31,586.32
<b>Total for Check/Tran - 92416:</b>					32,096.37
92417 7/27/22	DD	963	ANIXTER INC.	Cable	110,044.77
				Parallel groove clamp, all purpose, AL	2,284.33
				Reychem HVS-Mesh-2-5000	1,160.92
				CONN SLEV ANDSN VHS 4/0	3,049.04
				Material - PO 55016	1,565.28
<b>Total for Check/Tran - 92417:</b>					118,104.34
92418 7/27/22	DD	811	ARAMARK UNIFORM SERVICES	Weekly Svc	44.25
				Weekly Svc	43.97
				Weekly Svc	30.52
				Weekly Svc	32.04
				Weekly Svc	21.93
<b>Total for Check/Tran - 92418:</b>					172.71



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**Bank Account: 1 - Benton PUD ACH/Wire**

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					REEP	500.00
					REEP	700.00
					REEP	1,300.00
					REEP	700.00
					REEP	300.00
<b>Total for Check/Tran - 92427:</b>						11,600.00
92428	7/27/22	DD	3742	EMPLOYMENT SCREENING SERVICES,	Employment Screeing Svc	45.00
92429	7/27/22	DD	3130	GDS ASSOCIATES, INC.	NERC/WECC Compliance	585.00
92430	7/27/22	DD	79	GENERAL PACIFIC, INC.	columbia MFG Pedestal Cat.ID PA240-MG188	4,509.96
92431	7/27/22	DD	867	JODY A GEORGE	CWPU Mtg	168.13
92432	7/27/22	DD	10142	GROWING FORWARD SERVICES	Wellness - Life Coaching	450.00
92433	7/27/22	DD	10420	HEALTH INVEST HRA TRUST	Monthly Fees	28.12
92434	7/27/22	DD	10056	HUMINSKYS HEATING & COOLING, LL	REEP	6,200.00
92435	7/27/22	DD	3258	HYAS GROUP, LLC	Retirement Plan Consulting	5,750.00
92436	7/27/22	DD	4207	INFORMATION FIRST, INC.	Content Mgr Monthly Support	2,000.00
92437	7/27/22	DD	10660	IRBY ELECTRICAL UTILITIES	Material	504.80
					Parallel groove clamp, all purpose, AL	1,793.55
					Cap Protective Insulating, Co	6,936.15
<b>Total for Check/Tran - 92437:</b>						9,234.50
92438	7/27/22	DD	3154	IVOXY CONSULTING, LLC	Software Support/Extension	28,885.44
92439	7/27/22	DD	103	KENNEWICK, CITY OF	Industrial Rebate	4,638.02
92440	7/27/22	DD	1098	MARSH USA INC.	Fiduciary Liability Policy Premium	16,650.00
92441	7/27/22	DD	10563	MESSAGE TECHNOLOGIES, INC.	Monthly IVR Fee	3,931.37

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**Bank Account: 1 - Benton PUD ACH/Wire**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
92442 7/27/22	DD	919	NOANET	Wallula Gap Winery Outage	10,634.98
92443 7/27/22	DD	2176	PACIFIC OFFICE AUTOMATION, INC.	Monthly billing Monthly Billing	137.22 108.60
<b>Total for Check/Tran - 92443:</b>					245.82
92444 7/27/22	DD	1241	PARAMOUNT COMMUNICATIONS, INC.	Agri NW Station Columbia River Agri NW Station Columbia River Chukar Cherries Chukar Cherries Inspire Development Inspire Development Clore Facility Clore Facility	1,514.79 8,824.98 662.46 2,661.30 670.61 4,438.75 494.13 8,891.49
<b>Total for Check/Tran - 92444:</b>					28,158.51
92445 7/27/22	DD	10671	PRINCIPAL BANK	EE Vision ER Vision EE Health ER Health EE Dental ER Dental	110.67 3,059.35 10,485.34 178,776.14 632.19 17,396.19
<b>Total for Check/Tran - 92445:</b>					210,459.88
92446 7/27/22	DD	10684	RJB WHOLESALE, INC.	Material	131,017.21
92447 7/27/22	DD	3033	KAYLA R SIDWELL	WPUDA Mtg	77.44
92448 7/27/22	DD	10028	SYMETRA LIFE INSURANCE COMPANY	Self Insured STD Basic AD&D Basic Life Supplemental Life - Child Supplemental Life - EE Supplemental Life - Spouse	203.68 220.05 1,027.32 66.55 2,489.30 518.95

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**Bank Account: 1 - Benton PUD ACH/Wire**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Supplemental Life AD&D - Child	8.10
				Supplemental Life AD&D - EE	445.20
				Supplemental Life AD&D - Spouse	250.80
				LTD Core Buy-Up	880.00
				LTD Core No Buy-Up	3,734.90
				LTD 88	12.87
				Non Barg Basic AD&D	183.54
				Non Barg Basic Dep Life	109.62
				Non Barg Basic Life	1,162.42
<b>Total for Check/Tran - 92448:</b>					11,313.30
92449	7/27/22	DD	2057	THE PRINT GUYS LLC	
				Newsletter/Postage	-17.73
				Newsletter/Postage	19,268.81
<b>Total for Check/Tran - 92449:</b>					19,251.08
92450	7/27/22	DD	3589	TOTAL QUALITY AIR, LLC	
				REEP	6,200.00
92451	7/27/22	DD	4168	WALKER & ASSOCIATES INC.	
				ADVA FSP 150-XG116Pro Chassis	4,387.12
				Customer Premise Equipment, ADVA	86.88
<b>Total for Check/Tran - 92451:</b>					4,474.00
92452	7/27/22	DD	4235	WATER STREET PUBLIC AFFAIRS, LLC	
				Lobbying	6,500.00

<b>Total Payments for Bank Account - 1 :</b>	(80)	1,519,120.46
<b>Total Voids for Bank Account - 1 :</b>	(0)	0.00
<b>Total for Bank Account - 1 :</b>	(80)	1,519,120.46

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**Bank Account: 2 - BPUD Accounts Payable Warrants**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
83528 3/9/22	CHK	379	PURMS JOINT SELF INSURANCE FUND	Claim 2021 21-45-L	250.00 VOID
84219 7/20/22	CHK	258	APOLLO MECHANICAL CONTRACTOR	REEP	500.00
84220 7/20/22	CHK	1360	APPLE VALLEY BROADCASTING	Advertising	494.00
84221 7/20/22	CHK	3819	BENTON CONSERVATION DISTRICT	Salmon Power in Schools	2,177.46
84222 7/20/22	CHK	39	BENTON COUNTY	GIS Prints	50.00
84223 7/20/22	CHK	35	BENTON PUD - CUSTOMER ACCOUNT	Monthly Billing	356.42
84224 7/20/22	CHK	54	BNSF RAILWAY COMPANY	Permit - RR Crossing Prosser	650.00
				Permit - Rr Corossing Vista	100.00
				Permit - RR Crossing Kennewick	250.00
				Permit - RR Crossing Badger	100.00
<b>Total for Check/Tran - 84224:</b>					1,100.00
84225 7/20/22	CHK	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	8,349.36
				Tree Trimming Svc	8,349.36
<b>Total for Check/Tran - 84225:</b>					16,698.72
84226 7/20/22	CHK	10630	CAMPBELL TRAINING SOLUTIONS, LL	Energy Education Training	6,077.50
84227 7/20/22	CHK	412	ERMCO	Transformers	-92.46
				Transformers	117,916.84
<b>Total for Check/Tran - 84227:</b>					117,824.38
84228 7/20/22	CHK	10169	FALCON SOFTWARE COMPANY, INC.	Website Redesign	18,000.00
				Website Redesign	17,100.00
				Website Redesign	14,250.00
				Software Services	1,500.00
				Software Support	1,500.00
<b>Total for Check/Tran - 84228:</b>					52,350.00
84229 7/20/22	CHK	374	HOWARD INDUSTRIES, INC.	Transformers	78,513.46

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**Bank Account: 2 - BPUD Accounts Payable Warrants**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
84230 7/20/22	CHK	99	KIE SUPPLY CORP	Material	7,592.96
84231 7/20/22	CHK	1287	KRENZ AND COMPANY, INC.	Cooling Fan Brackets - 9 Canyon	635.36
84232 7/20/22	CHK	10564	LOURDES OCCUPATIONAL HEATLH	Pre - Employment Physical	120.00
84233 7/20/22	CHK	800	MAC'S GARDEN CENTER	Vegetation Replacement Prg	65.20
84234 7/20/22	CHK	310	MOON SECURITY SERVICES, INC.	Monitoring Svc	616.16
				Monitoring Svc	167.66
				Monitoring Svc	159.28
				Monitoring Svc	76.49
				Monitoring Svc	76.49
				Monitoring Svc	76.49
				Monitoring Svc	127.32
<b>Total for Check/Tran - 84234:</b>					1,299.89
84235 7/20/22	CHK	1592	REESE CONCRETE PRODUCTS MFG.	Vault Base/Lid	21,991.50
84236 7/20/22	CHK	4244	RENEWAL BY ANDERSEN OF WASH	REEP	1,188.00
84237 7/20/22	CHK	3961	SIERRA ELECTRIC, INC.	replace meter base	224.37
84238 7/20/22	CHK	10230	SMG-TRI CITIES, LLC	Advertising	3,320.00
84239 7/20/22	CHK	985	SPECTRUM PACIFIC WEST, LLC	Monthly Billing	596.17
84240 7/20/22	CHK	193	UNITED PARCEL SERVICE OF AMERI	Mailing Svc	36.00
84241 7/20/22	CHK	992	VERIZON NORTHWEST	Monthly Billing	1,306.54
84242 7/20/22	CHK	100	WASTE MANAGEMENT OF WASHINGT	Monthly Billing	932.63
				Monthly Billing	286.02
<b>Total for Check/Tran - 84242:</b>					1,218.65
84243 7/20/22	CHK	99999	FRANCISCO ARIAS	Credit Balance Refund	101.07
84244 7/20/22	CHK	99999	RYAN D BAKER	Credit Balance Refund	42.54

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**Bank Account: 2 - BPUD Accounts Payable Warrants**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
84245 7/20/22	CHK	99999	IDA M BRAITHWAITE	Credit Balance Refund	109.58
84246 7/20/22	CHK	99999	TAMERRA CHRISTENSEN	Credit Balance Refund	47.36
84247 7/20/22	CHK	99999	HUGO E CISNEROS	Credit Balance Refund	27.13
84248 7/20/22	CHK	99999	KAREN CRUZ	Credit Balance Refund	70.98
84249 7/20/22	CHK	99999	JOHN I DIEHL	Credit Balance Refund	16.77
84250 7/20/22	CHK	99999	JARED ERMEY	Credit Balance Refund	100.09
84251 7/20/22	CHK	99999	JOSE GALVAN	Credit Balance Refund	171.81
84252 7/20/22	CHK	99999	ADIL HAZIROVIC	Credit Balance Refund	11.16
84253 7/20/22	CHK	99999	KYLE KANEHL	REEP	1,200.00
84254 7/20/22	CHK	99999	SANDRA J MEADOWS	Credit Balance Refund	411.68
84255 7/20/22	CHK	99999	KYLE A ROBERTS	Credit Balance Refund	20.33
84256 7/26/22	CHK	10870	SMITH EQUIPMENT & WELDING	Water Tank	-3,780.50
				Water Tank	47,234.50
<b>Total for Check/Tran - 84256:</b>					43,454.00
84257 7/27/22	CHK	1751	AGRI NORTHWEST, INC.	Agricultural Rebate	6,170.00
84258 7/27/22	CHK	2425	AT&T MOBILITY, LLC	Monthly Billing	5.44
84259 7/27/22	CHK	689	BENTON FRANKLIN COMMUNITY ACT	REEP	3,109.46
				REEP	7,884.36
<b>Total for Check/Tran - 84259:</b>					10,993.82
84260 7/27/22	CHK	259	BENTON FRANKLIN COMMUNITY ACT	Helping Hands	3,044.58
84261 7/27/22	CHK	35	BENTON PUD - CUSTOMER ACCOUNT	Monthly Billing	473.31
84262 7/27/22	CHK	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	5,635.82
				Tree Trimming Svc	7,622.42



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# Accounts Payable Check Register

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07/18/2022 To 07/31/2022

**Bank Account: 2 - BPUD Accounts Payable Warrants**

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Fiber Lease	146.75
					Fiber Lease	293.49
					Fiber Lease	293.49
					Fiber Lease	146.75
					Fiber Lease	1,467.45
					Fiber Lease	146.75
					Fiber Lease	293.49
					Fiber Lease	586.98
					Fiber Lease	1,173.96
					Fiber Lease	146.75
<b>Total for Check/Tran - 84270:</b>						7,631.91
84271	7/27/22	CHK	149	SMITH INSULATION, INC.	REEP	128.88
84272	7/27/22	CHK	2699	TOTAL ENERGY MANAGEMENT & HV	REEP	300.00
84273	7/27/22	CHK	193	UNITED PARCEL SERVICE OF AMERI	Mailing Svc	36.00
					Mailing Svc	36.00
<b>Total for Check/Tran - 84273:</b>						72.00
84274	7/27/22	CHK	99999	DANIEL L BARKER	Credit Balance Refund	112.25
84275	7/27/22	CHK	99999	BOBBI BASSETT	Credit Balance Refund	214.31
84276	7/27/22	CHK	99999	CLARISA G BERMUDEZ	Credit Balance Refund	57.00
84277	7/27/22	CHK	99999	MONICA CAMPUZANO	Credit Balance Refund	68.00
84278	7/27/22	CHK	99999	GENESIS CRUZ	Credit Balance Refund	121.96
84279	7/27/22	CHK	99999	BRIAN W DAVIS	Credit Balance Refund	242.11
84280	7/27/22	CHK	99999	JOHN DODGSON	Credit Balance Refund	31.88
84281	7/27/22	CHK	99999	JOHN T ENGELKE	Credit Balance Refund	100.86
84282	7/27/22	CHK	99999	ESTATE OF CAROL BETTENCOURT	Credit Balance Refund	80.06

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## Accounts Payable Check Register

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### 07/18/2022 To 07/31/2022

**Bank Account: 2 - BPUD Accounts Payable Warrants**

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
84283	7/27/22	CHK	99999	CRISANTO GARCIA	Credit Balance Refund	272.67
84284	7/27/22	CHK	99999	FAITH E HAMMOND	Credit Balance Refund	23.43
84285	7/27/22	CHK	99999	FRANCIS HUTCHENS	Credit Balance Refund	381.84
84286	7/27/22	CHK	99999	ETTA M HUWE	Credit Balance Refund	54.49
84287	7/27/22	CHK	99999	KAYLA KEEL	Credit Balance Refund	78.80
84288	7/27/22	CHK	99999	LISETTE B LARIOS	Credit Balance Refund	141.18
84289	7/27/22	CHK	99999	ASHLEY LAZO-SANCHEZ	Credit Balance Refund	126.00
84290	7/27/22	CHK	99999	SYLVIA LOCKERBY	Credit Balance Refund	23.19
84291	7/27/22	CHK	99999	DOLORES C MAGANA	Credit Balance Refund	247.61
84292	7/27/22	CHK	99999	LINDY MEEHAN-VERHEI	Credit Balance Refund	130.27
84293	7/27/22	CHK	99999	HECTOR MENDOZA	Line Extension Trenching Reimbursement	1,000.00
84294	7/27/22	CHK	99999	DIAMOND NESTER	Credit Balance Refund	188.60
84295	7/27/22	CHK	99999	ALINA OLSEN	Credit Balance Refund	50.59
84296	7/27/22	CHK	99999	CHERYL L RICHARDS	Credit Balance Refund	26.59
84297	7/27/22	CHK	99999	RENAE ROBERTS	Credit Balance Refund	108.63
84298	7/27/22	CHK	99999	THOMAS ROGERS	Credit Balance Refund	64.96
84299	7/27/22	CHK	99999	PATRICIA SEGERDELL	Credit Balance Refund	38.78
84300	7/27/22	CHK	99999	DEYONNA F SENN-SULLIVAN	Credit Balance Refund	120.89
84301	7/27/22	CHK	99999	CAMI SILVA	Credit Balance Refund	136.63
84302	7/27/22	CHK	99999	ANABEL SUSTAITA	Credit Balance Refund	73.43
84303	7/27/22	CHK	99999	ARIEL T THEDE	Credit Balance Refund	337.91

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# Accounts Payable Check Register

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07/18/2022 To 07/31/2022

**Bank Account: 2 - BPUD Accounts Payable Warrants**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
84304 7/27/22	CHK	99999	VAST WEST SOLUTIONS LLC	Credit Balance Refund	1,021.74
84305 7/27/22	CHK	99999	FERNANDO VEGA ORTUNO	Credit Balance Refund	119.54
84306 7/27/22	CHK	99999	NANCY VEGA	Credit Balance Refund	66.03
84307 7/27/22	CHK	99999	RICHARD WYER III	Credit Balance Refund	277.26
84308 7/27/22	CHK	99999	RYAN YOUNG	Reep	897.42
84309 7/27/22	CHK	99999	VIKTORILA ZAHNITKOVSKA	Credit Balance Refund	329.62

<b>Total Payments for Bank Account - 2 :</b>	(91)	462,961.32
<b>Total Voids for Bank Account - 2 :</b>	(1)	250.00
<b>Total for Bank Account - 2 :</b>	(92)	463,211.32
<b>Grand Total for Payments :</b>	(171)	1,982,081.78
<b>Grand Total for Voids :</b>	(1)	250.00
<b>Grand Total :</b>	(172)	1,982,331.78

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
6280 7/21/22	WIRE	1567	ICMA RETIREMENT CORP	Plan B 457(b) Employee Contribution	18.96
				457(b) Leave EE Contribution	1,424.88
				457(b) Roth EE Contribution	8,101.29
				Plan A 457(b) Employee Contribution	5,819.60
				Plan B 457(b) Employee Contribution	20,709.56
				Plan C 401(a) Option 1 EE Contribution	3,500.98
				Plan C 401(a) Option 2 EE Contribution	1,458.50
				Plan C 401(a) Option 3 EE Contribution	513.42
				Plan C 401(a) Option 4, Step 2 EE Contri	1,132.04
				Plan C 401(a) Option 4, Step 3 EE Contri	1,776.66
				Plan C 401(a) Option 4, Step 4 EE Contri	349.32
				Plan C 401(a) Option 5, Step 4 EE Contri	1,215.67
				Plan C 457(b) Employee Contribution	4,507.79
				457 EE Loan Repayment #1	338.00
				Deferred Comp - ER	18,313.29
<b>Total for Check/Tran - 6280:</b>					<b>69,179.96</b>
6281 7/20/22	WIRE	169	ENERGY NORTHWEST	Purchased Power	151,729.19
6282 7/21/22	WIRE	171	WASH STATE DEPT RETIREMENT SYS	PERS Plan 2	44.46
				PERS Plan 2	36,041.01
				PERS Plan 3A 5% All Ages	1,131.41
				PERS Plan 3B 5% Up to Age 35	281.15
				PERS Plan 3B 6% Age 35-45	126.43
				PERS Plan 3E 10% All Ages	1,266.45
				PERS Plan 3F 15% All Ages	451.07
				PERS - ER	62,874.64
<b>Total for Check/Tran - 6282:</b>					<b>102,216.62</b>
6283 7/27/22	WIRE	1821	FREDERICKSON POWER L.P.	Purchased Gas	671,930.94
6284 7/21/22	WIRE	2205	UNITED STATES TREASURY	Federal Income Tax	11,297.15
				Medicare - Employee	744.58

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# Accounts Payable Check Register

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**Bank Account: 1 - Benton PUD ACH/Wire**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Medicare - Employer	744.58
				Social Security - Employee	3,183.74
				Social Security - Employer	3,183.74
				Medicare - Employee	10.04
				Medicare - Employer	10.04
				Social Security - Employee	42.94
				Social Security - Employer	42.94
				Federal Income Tax	61,690.97
				Medicare - Employee	8,934.45
				Medicare - Employer	8,934.45
				Social Security - Employee	37,385.71
				Social Security - Employer	37,385.71
<b>Total for Check/Tran - 6284:</b>					173,591.04
6285	7/28/22	WIRE 246	BONNEVILLE POWER ADMIN	Purchased Power	1,007,860.00
6286	7/19/22	WIRE 2902	WHITE CREEK WIND I, LLC	Purchased Power	11,762.00
6287	7/26/22	WIRE 424	WASH STATE DEPT REVENUE-EXCISE	Utility Tax	429,758.43
				Use Tax	72,041.39
				Retailing & Wholesaling Tax	985.27
				Retail Sales Tax - Kenn	137.76
				Service Tax	13,411.10
<b>Total for Check/Tran - 6287:</b>					516,333.95
6288	7/21/22	WIRE 437	WASH STATE DEPT SUPPORT REGIST	Garnishment - Child Support	451.98
<b>Total for Bank Account - 1 :</b>					(9) 2,705,055.68
<b>Grand Total :</b>					(9) 2,705,055.68



**BENTON PUD - RESIDENTIAL CONSERVATION REBATE DETAIL**

<u>Date</u>	<u>Customer</u>	<u>Rebate Amount</u>	<u>Rebate Description</u>
07/21/2022	LARRY E JOHNSON	\$ 30.00	Rebate - Clothes Washer

\$ 30.00



<input type="checkbox"/>	<i>Business Agenda</i>
<input type="checkbox"/>	<i>Second Reading</i>
<input checked="" type="checkbox"/>	<i>Consent Agenda</i>
<input type="checkbox"/>	<i>Info Only/Possible Action</i>
<input type="checkbox"/>	<i>Info Only</i>

**COMMISSION MEETING AGENDA ITEM**

Subject:	Resolution No. 2609, Resolution Amending Nonstandard Discretionary Compensation and Benefits	
Agenda Item No:	6d	
Meeting Date:	August 9, 2022	
Presented by:	Karen Dunlap	<i>Staff Presenting Item</i>
Approved by (dept):	Rick Dunn	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

**Motion for Commission Consideration:**

Motion to adopt Resolution No. 2609, Amending Nonstandard Discretionary Compensation and Benefits.

**Recommendation/Background**

On October 12, 2021 the Commission adopted Resolution No. 2581, amending the Nonstandard Discretionary Compensation and Benefits authorizing payments of nonstandard compensation and benefits for an employee or employees as described by said resolution. The amendment included the addition of the 360 Wellbeing incentive program with details regarding justification for the program and incentive amounts.

On May 24, 2022 the Commission adopted Resolution No. 2601, amending the Nonstandard Discretionary Compensation and Benefits authorizing payments of nonstandard compensation and benefits for an employee or employees as described by said resolution. The amendment included changes to recruiting and retention-related items, not to incentive programs.

Upon completion of the first year of the 360 incentive program, the District conducted an evaluation and desires to modify the incentive program to include one random drawing for \$100 from a list of employees who exceeded the highest point value in the program year. The original design of the program allowed for carry over of points into the next program year. The change will provide the program and employees with a new start each program year and is consistent with the design for the Safety Incentive Program.

**Summary**

Recommend the Commission adopt Resolution No. 2609, Amending Nonstandard Discretionary Compensation and Benefits effective August 9, 2022. This Resolution supersedes and replaces Resolution No. 2601.

**Fiscal Impact**

No fiscal impact. The additional \$100 random drawing amount is within the budget, as not all employees will achieve the highest award level as budgeted.

## **Resolution No. 2609**

August 9, 2022

### **A RESOLUTION AMENDING NONSTANDARD DISCRETIONARY COMPENSATION AND BENEFITS**

WHEREAS, Resolution No. 2601 established authority for the General Manager to authorize Nonstandard Discretionary Compensation and Benefits, and directed the General Manager to make an annual report to the Commission of the aggregate value of such compensation and benefits; AND

WHEREAS, the District desires to ensure competitive recruiting and retention incentives to support recruiting practices in a tight labor market; AND

WHEREAS, The District desires to expediently investigate workplace matters and provide for resolution of such matters; AND

WHEREAS, The District may request employees who are exempt from the Fair Labor Standards Act (FLSA) to perform bargaining work when bargaining personnel are not available to meet critical business needs of the District after normal business hours associated with electrical service, AND

WHEREAS, recent Court decisions and rulings from the U.S. Department of Labor have established that additional compensation paid to employees who are exempt from the FLSA will not destroy their exempt status; AND

WHEREAS, the Commission desires to provide fair and equitable pay and benefits for all employees of the District; AND

WHEREAS, District facility closures may be warranted when conditions arise, such as inclement weather, that may pose a safety risk to District employees and customers; AND

WHEREAS, the District is committed to a safety culture that actively involves all employees focusing on leading indicators and proactive approaches to reduce incidents and injuries; AND

WHEREAS, the District recognizes that overall employee well-being both mentally and physically leads to a healthy, focused, and productive workforce which is vital to organizational effectiveness and success; AND

WHEREAS, the District is dedicated to empowering employees to grow personally and professionally by increasing their knowledge of the electrical energy and broadband service delivery process to develop proud, confident, and credible community ambassadors; AND

WHEREAS, the District recognizes that engaging employees in community service, outreach, and education promotes the District's image as a trusted energy partner, reinforces the value of public power, and is essential to remain competitive; AND

WHEREAS, the District acknowledges that engaging, motivating, and rewarding employees for meeting high performance standards and goals provides value to our community and the customers we serve; AND

WHEREAS, The District desires to promote organizational effectiveness through incentive programs that encourage desired employee safety and wellness behaviors and outcomes; increased employee knowledge of the electrical utility industry and engagement in the community; meeting individual and District-wide high performance standards and goals; recognize employees' tenure with the District through longevity awards; and allow for employee early release in advance of specified holidays; AND

WHEREAS, Advance notice of an employee's planned retirement provides considerable value to the District around workforce planning; AND

WHEREAS, The General Manager is in the best position to determine the need for and the appropriate level of nonstandard compensation or benefits in an expedient manner in the interests of the District.

NOW, THEREFORE, BE IT RESOLVED By the Commission of Public Utility District No. 1 of Benton County that the Commission authorizes the General Manager to approve payments of one or more of following nonstandard compensation and benefits for an employee or employees in his or her discretion, as described by this resolution and within the authority granted through the adoption of the annual budget, specifically:

1. Sign On Payments: Sign on payments may be used for positions that are difficult to recruit and provide a cost-effective alternative to offering a higher salary while providing an incentive for a prospective employee to accept employment at the District. Sign on payments will not exceed \$10,000 and will include a pro-rated payback provision if the

employee leaves within three years. Sign on payments will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting activities.

2. Retention Payments: Retention payments may be used for positions that are difficult to recruit and retain. A retention payment provides an incentive for an employee to not seek employment outside of the District for a period of time. They provide a cost-effective alternative to offering a higher salary while providing an incentive for a prospective employee to accept employment at the District and remain at the District. Retention payments will not exceed \$10,000. An employee will only be eligible to receive a retention payment after remaining employed for a period of time which will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting activities.
3. Relocation Expense Reimbursement: Relocation expense reimbursement payments may be used for positions that are difficult to recruit and where the most qualified candidate does not reside locally. These payments provide an incentive for an employee to move and accept a position at the District. Relocation expenses may be reimbursed up to a maximum of \$10,000 plus payments to make the employee whole for tax impacts. The General Manager has authority to authorize reimbursement for relocation expenses in excess of \$10,000 when circumstances warrant a greater amount. Relocation expense reimbursement requires appropriate receipts and documents supporting the amount prior to reimbursement. As an alternative to relocation expense reimbursement, the District may offer a moving allowance equal to \$5 per mile from the home residence to the new location, not to exceed \$2,500. This alternative is offered to motivate an employee to practice consumerism by considering “self-move” resulting in savings to the District. If an employee separates employment within three years, the employee will be required to pay back a prorated amount of the relocation expense reimbursement or moving allowance. Relocation expense reimbursement and moving allowances will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting or retention activities.
4. Exempt Employee Overtime Compensation, provided on an exception basis to salaried employees normally exempt from overtime who are asked to perform bargaining work when bargaining personnel are not available in order to meet the critical operational needs of the District or to respond to calls for mutual aid after normal business hours. Critical operational needs of the District or other utilities would normally include events where customers are not receiving electrical service. Authorization to perform such overtime work

shall be provided by memorandum of the General Manager or authorized designee to the Manager of Human Resources. Whenever possible, authorization will be obtained in advance of the work being performed. Such Overtime Compensation shall be paid at a rate not to exceed one and one-half times an exempt employee's regular base rate of pay prorated to an hourly rate and may be subject to limitations or maximums of hours or dollars set forth by the General Manager in writing. Positions at the Director level and above shall not be eligible for such Exempt Employee Overtime Compensation. A designee acting on behalf of the General Manager shall not authorize his or her own Exempt Employee Overtime Compensation.

5. Paid Administrative Leave, defined as paid time off authorized by the General Manager or designee, issued during situations which warrant providing the employee paid time away from work, including paying for final partial workdays, paying employees during an investigation in which it is determined that the employee or a witness should not be at the workplace, or similar situations as approved by the General Manager.
6. Severance Compensation, allows the District and an employee to come to a mutual decision regarding employment and is defined as either compensation provided as a one-time payment or salary continuation within a written agreement issued by the Manager of Human Resources during the course of concluding employment matters.
7. Severance Benefits, allows the District and an employee to come to a mutual decision regarding employment and is defined as either actual benefit enrollment during benefit continuation or as lump sum compensation provided within a written agreement issued by the Manager of Human Resources during the course of concluding employment matters.
8. Additional Personal Leave benefits may be provided as:
  - a. A one-time granting of a specified number of additional leave hours loaded into an employee's personal leave bank (not to exceed 80 hours) and/or,
  - b. Accelerated Personal Leave service accrual rate.

Any additional personal leave benefits will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting or retention activities. Additional personal leave benefits allow the District to recruit positions at a reasonable salary while providing a similar benefit an employee was receiving at the previous employer.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the Commission directs the General Manager or his or her designee to annually report to the Commission the aggregate value of the nonstandard compensation and benefits paid to employees for items 1-7 above that have not previously been approved by the Commission.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the General Manager is authorized to enter into employment agreements to retain senior key executive employees in order to provide stability and continuity of District operations.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the General Manager is authorized to develop subordinate policies and to approve payments of one or more of the following nonstandard compensation and benefits for an employee or employees at his or her discretion, as described by this resolution. Past actions of the General Manager are hereby approved and ratified. Specifically:

1. Longevity Awards. Eligible employees may receive a longevity award every five years on an inclining scale not to exceed two hundred dollars (\$200) in value per award for recognition of completion of years of continuous service.
2. Thanksgiving Eve Day and Christmas Eve Day Early Release. Under the approval of the General Manager, employees who report to work for a full shift on the last regularly scheduled workday preceding the observed Thanksgiving, Day After Thanksgiving, and Christmas holidays may be allowed to leave two (2) hours prior to their regularly scheduled quitting time and will be paid their normal pay for the two (2) hours of leave. If Friday is the regularly scheduled day off on the (2) two-day Thanksgiving Holiday, the second day of the Thanksgiving Holiday (Day After Thanksgiving) will be observed on the preceding Wednesday and the day before Thanksgiving (2) two-hour early release will be observed on the preceding Tuesday. If Christmas falls on a regularly scheduled Friday off, the holiday will be observed the preceding Thursday and the (2) two-hour early release will be observed on the preceding Wednesday.
3. Unplanned Facility Closure. If due to conditions, such as inclement weather, that pose a safety risk to the District's employees or customers, the General Manager or the Assistant General Manager determines an immediate closure of a District work site(s) is appropriate, employees who are at work and are relieved from duty will be paid in accordance with the Collective Bargaining Agreement or District policy. Employees who do not report to work on the day of the closure or who leave prior to the closure will be required to take leave (e.g. personal leave, floating holiday, compensatory time off, leave of absence) as approved

in accordance with the Collective Bargaining Agreement or District policies for the time he/she was absent from work. Certain employees may not be relieved from duty in such instances due to the need to operate the District's electric system and public safety.

4. Use of Personal Leave Prior to Retirement. Employees covered under the Collective Bargaining Agreement may be authorized to use their personal leave prior to their date of retirement. Existing requirements pertaining to approval of personal leave remain in effect for employees subject to the Collective Bargaining Agreement.
5. Personal Leave Credit for Irrevocable Advance Notice of Retirement. In an effort to incentivize employees to communicate their retirement plans early, eligible employees may be authorized to receive up to ten (10) days of additional personal leave credit added to their personal leave balance in the final pay period of their employment as specified in a policy issued by the General Manager. This policy is in lieu of allowing use of personal leave prior to the date of retirement.
6. Incentive Programs.
  - a. Safety. Eligible employees may receive an annual safety award not to exceed two hundred fifty dollars (\$250) in value per award for recognition of completion of the Safety Incentive Program. In addition, an additional safety award not to exceed one hundred dollars (\$100) in value will be issued to one person randomly selected from a list of individuals who have exceeded the highest point value of the Program.
  - b. 360 Program. Eligible employees may receive an annual well-being award not to exceed two hundred seventy-five dollars (\$275) in value per award for recognition of completion of the 360 Well Being and Incentive Program. In addition, an additional safety award not to exceed one hundred dollars (\$100) in value will be issued to one person randomly selected from a list of individuals who have exceeded the highest point value of the Program.
  - c. EmPOWERed. Eligible employees may receive an incentive award not to exceed sixteen (16) hours of Personal Leave (PL) over a two-year period for recognition of completion of the EmPOWERed Certification Program.
  - d. Power Up. Eligible employees may receive an annual incentive award not to exceed sixteen (16) hours of Personal Leave (PL) for meeting the established Power UP Program District Established Goals.

ADOPTED by the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting as required by law this 9th day of August 2022.

This Resolution supersedes Resolution No. 2601 dated May 24, 2022.

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Lori Kays-Sanders, President

ATTEST:

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Jeffery D. Hall, Secretary

**Resolution No. ~~2601~~2609**

~~May 24~~August 9, 2022

**A RESOLUTION AMENDING NONSTANDARD DISCRETIONARY  
COMPENSATION AND BENEFITS**

WHEREAS, Resolution No. ~~2581~~2601 established authority for the General Manager to authorize Nonstandard Discretionary Compensation and Benefits, and directed the General Manager to make an annual report to the Commission of the aggregate value of such compensation and benefits; AND

WHEREAS, the District desires to ensure competitive recruiting and retention incentives to support recruiting practices in a tight labor market; AND

WHEREAS, The District desires to expediently investigate workplace matters and provide for resolution of such matters; AND

WHEREAS, The District may request employees who are exempt from the Fair Labor Standards Act (FLSA) to perform bargaining work when bargaining personnel are not available to meet critical business needs of the District after normal business hours associated with electrical service, AND

WHEREAS, recent Court decisions and rulings from the U.S. Department of Labor have established that additional compensation paid to employees who are exempt from the FLSA will not destroy their exempt status; AND

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WHEREAS, District facility closures may be warranted when conditions arise, such as inclement weather, that may pose a safety risk to District employees and customers; AND

WHEREAS, the District is committed to a safety culture that actively involves all employees focusing on leading indicators and proactive approaches to reduce incidents and injuries; AND

WHEREAS, the District recognizes that overall employee well-being both mentally and physically leads to a healthy, focused, and productive workforce which is vital to organizational effectiveness and success; AND

WHEREAS, the District is dedicated to empowering employees to grow personally and professionally by increasing their knowledge of the electrical energy and broadband service delivery process to develop proud, confident, and credible community ambassadors; AND

WHEREAS, the District recognizes that engaging employees in community service, outreach, and education promotes the District's image as a trusted energy partner, reinforces the value of public power, and is essential to remain competitive; AND

WHEREAS, the District acknowledges that engaging, motivating, and rewarding employees for meeting high performance standards and goals provides value to our community and the customers we serve; AND

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WHEREAS, Advance notice of an employee's planned retirement provides considerable value to the District around workforce planning; AND

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employee leaves within three years. Sign on payments will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting activities.

2. Retention Payments: Retention payments may be used for positions that are difficult to recruit and retain. A retention payment provides an incentive for an employee to not seek employment outside of the District for a period of time. They provide a cost-effective alternative to offering a higher salary while providing an incentive for a prospective employee to accept employment at the District and remain at the District. Retention payments will not exceed \$10,000. An employee will only be eligible to receive a retention payment after remaining employed for a period of time which will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting activities.
3. Relocation Expense Reimbursement: Relocation expense reimbursement payments may be used for positions that are difficult to recruit and where the most qualified candidate does not reside locally. These payments provide an incentive for an employee to move and accept a position at the District. Relocation expenses may be reimbursed up to a maximum of \$10,000 plus payments to make the employee whole for tax impacts. The General Manager has authority to authorize reimbursement for relocation expenses in excess of \$10,000 when circumstances warrant a greater amount. Relocation expense reimbursement requires appropriate receipts and documents supporting the amount prior to reimbursement. As an alternative to relocation expense reimbursement, the District may offer a moving allowance equal to \$5 per mile from the home residence to the new location, not to exceed \$2,500. This alternative is offered to motivate an employee to practice consumerism by considering “self-move” resulting in savings to the District. If an employee separates employment within three years, the employee will be required to pay back a prorated amount of the relocation expense reimbursement or moving allowance. Relocation expense reimbursement and moving allowances will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting or retention activities.
4. Exempt Employee Overtime Compensation, provided on an exception basis to salaried employees normally exempt from overtime who are asked to perform bargaining work when bargaining personnel are not available in order to meet the critical operational needs of the District or to respond to calls for mutual aid after normal business hours. Critical operational needs of the District or other utilities would normally include events where customers are not receiving electrical service. Authorization to perform such overtime work

shall be provided by memorandum of the General Manager or authorized designee to the Manager of Human Resources. Whenever possible, authorization will be obtained in advance of the work being performed. Such Overtime Compensation shall be paid at a rate not to exceed one and one-half times an exempt employee's regular base rate of pay prorated to an hourly rate and may be subject to limitations or maximums of hours or dollars set forth by the General Manager in writing. Positions at the Director level and above shall not be eligible for such Exempt Employee Overtime Compensation. A designee acting on behalf of the General Manager shall not authorize his or her own Exempt Employee Overtime Compensation.

5. Paid Administrative Leave, defined as paid time off authorized by the General Manager or designee, issued during situations which warrant providing the employee paid time away from work, including paying for final partial workdays, paying employees during an investigation in which it is determined that the employee or a witness should not be at the workplace, or similar situations as approved by the General Manager.
6. Severance Compensation, allows the District and an employee to come to a mutual decision regarding employment and is defined as either compensation provided as a one-time payment or salary continuation within a written agreement issued by the Manager of Human Resources during the course of concluding employment matters.
7. Severance Benefits, allows the District and an employee to come to a mutual decision regarding employment and is defined as either actual benefit enrollment during benefit continuation or as lump sum compensation provided within a written agreement issued by the Manager of Human Resources during the course of concluding employment matters.
8. Additional Personal Leave benefits may be provided as:
  - a. A one-time granting of a specified number of additional leave hours loaded into an employee's personal leave bank (not to exceed 80 hours) and/or,
  - b. Accelerated Personal Leave service accrual rate.

Any additional personal leave benefits will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting or retention activities. Additional personal leave benefits allow the District to recruit positions at a reasonable salary while providing a similar benefit an employee was receiving at the previous employer.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the Commission directs the General Manager or his or her designee to annually report to the Commission the aggregate value of the nonstandard compensation and benefits paid to employees for items 1-7 above that have not previously been approved by the Commission.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the General Manager is authorized to enter into employment agreements to retain senior key executive employees in order to provide stability and continuity of District operations.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the General Manager is authorized to develop subordinate policies and to approve payments of one or more of the following nonstandard compensation and benefits for an employee or employees at his or her discretion, as described by this resolution. Past actions of the General Manager are hereby approved and ratified. Specifically:

1. Longevity Awards. Eligible employees may receive a longevity award every five years on an inclining scale not to exceed two hundred dollars (\$200) in value per award for recognition of completion of years of continuous service.
2. Thanksgiving Eve Day and Christmas Eve Day Early Release. Under the approval of the General Manager, employees who report to work for a full shift on the last regularly scheduled workday preceding the observed Thanksgiving, Day After Thanksgiving, and Christmas holidays may be allowed to leave two (2) hours prior to their regularly scheduled quitting time and will be paid their normal pay for the two (2) hours of leave. If Friday is the regularly scheduled day off on the (2) two-day Thanksgiving Holiday, the second day of the Thanksgiving Holiday (Day After Thanksgiving) will be observed on the preceding Wednesday and the day before Thanksgiving (2) two-hour early release will be observed on the preceding Tuesday. If Christmas falls on a regularly scheduled Friday off, the holiday will be observed the preceding Thursday and the (2) two-hour early release will be observed on the preceding Wednesday.
3. Unplanned Facility Closure. If due to conditions, such as inclement weather, that pose a safety risk to the District's employees or customers, the General Manager or the Assistant General Manager determines an immediate closure of a District work site(s) is appropriate, employees who are at work and are relieved from duty will be paid in accordance with the Collective Bargaining Agreement or District policy. Employees who do not report to work on the day of the closure or who leave prior to the closure will be required to take leave (e.g. personal leave, floating holiday, compensatory time off, leave of absence) as approved

in accordance with the Collective Bargaining Agreement or District policies for the time he/she was absent from work. Certain employees may not be relieved from duty in such instances due to the need to operate the District's electric system and public safety.

4. Use of Personal Leave Prior to Retirement. Employees covered under the Collective Bargaining Agreement may be authorized to use their personal leave prior to their date of retirement. Existing requirements pertaining to approval of personal leave remain in effect for employees subject to the Collective Bargaining Agreement.
5. Personal Leave Credit for Irrevocable Advance Notice of Retirement. In an effort to incentivize employees to communicate their retirement plans early, eligible employees may be authorized to receive up to ten (10) days of additional personal leave credit added to their personal leave balance in the final pay period of their employment as specified in a policy issued by the General Manager. This policy is in lieu of allowing use of personal leave prior to the date of retirement.
6. Incentive Programs.
  - a. Safety. Eligible employees may receive an annual safety award not to exceed two hundred fifty dollars (\$250) in value per award for recognition of completion of the Safety Incentive Program. In addition, an additional safety award not to exceed one hundred dollars (\$100) in value will be issued to one person randomly selected from a list of individuals who have exceeded the highest point value of the Program.
  - b. 360 Program. Eligible employees may receive an annual well-being award not to exceed two hundred seventy-five dollars (\$275) in value per award for recognition of completion of the 360 Well Being and Incentive Program. In addition, an additional safety award not to exceed one hundred dollars (\$100) in value will be issued to one person randomly selected from a list of individuals who have exceeded the highest point value of the Program.
  - c. EmPOWERed. Eligible employees may receive an incentive award not to exceed sixteen (16) hours of Personal Leave (PL) over a two-year period for recognition of completion of the EmPOWERed Certification Program.
  - d. Power Up. Eligible employees may receive an annual incentive award not to exceed sixteen (16) hours of Personal Leave (PL) for meeting the established Power UP Program District Established Goals.

ADOPTED by the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting as required by law this ~~24th~~9th day of ~~May~~August 2022.

This Resolution supersedes Resolution No. ~~2581~~2601 dated ~~October 12~~May 24, 2021~~2~~.

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Lori Kays-Sanders, President

ATTEST:

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Jeffery D. Hall, Secretary



<input type="checkbox"/>	<i>Business Agenda</i>
<input type="checkbox"/>	<i>Second Reading</i>
<input checked="" type="checkbox"/>	<i>Consent Agenda</i>
<input type="checkbox"/>	<i>Info Only/Possible Action</i>
<input type="checkbox"/>	<i>Info Only</i>

**COMMISSION MEETING AGENDA ITEM**

Subject:	Contract Change Order #9 – Moon Security – Contract #16-38-02	
Agenda Item No:	6e	
Meeting Date:	August 9, 2022	
Presented by:	Derek White	<i>Staff Presenting Item</i>
Approved by (dept):	Melina Conover	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

**Motion for Commission Consideration**

Motion to authorize the General Manager on behalf of the District to sign Change Order #9 of Contract #16-38-02 with Moon Security, to extend the term of the contract to August 31, 2023, add additional patrols for Administration Building, and increase the not-to-exceed amount by \$26,000.00; bringing the new not-to-exceed amount of the contract to \$168,600.00.

**Background**

The District has had Contract #16-38-02 with Moon Security. The original contract focused on security monitoring and maintenance. A scope of work was added in 2021 to include nightly patrol service.

**Summary**

Extending the contract for an additional year will provide the District time to implement a new card access system and consider new, separate contracts for both monitoring/maintenance and patrol services. It will also add scope (at no additional charge) to include patrol of Administration Building when patrol is being done in Operations.

PO shall be set up as follows:

- Jump Off Joe: \$1,100.00 (935.02)
- Umatilla Ridge: \$1,100.00 (935.01)
- Prosser Butte: \$1,100.00 (935.03)
- Admin Building: \$1,800.00 (935.00)
- Prosser: \$1,700.00 (935.04)
- Operations: \$2,300.00 (598.10)
- Broadband: \$300.00 (588.00)
- Patrolling: \$6,600.00 (588.00)
- Maintenance of Equipment: \$10,000.00

By extending the contract to Moon Security the District will have uninterrupted service to our security system.

**Fiscal Impact**

The total NTE for this extension will be \$26,000.00 and is budgeted 38-038.





<input type="checkbox"/>	Business Agenda
<input type="checkbox"/>	Second Reading
<input checked="" type="checkbox"/>	Consent Agenda
<input type="checkbox"/>	Info Only/Possible Action
<input checked="" type="checkbox"/>	Info Only

**COMMISSION MEETING AGENDA ITEM**

Subject:	Performance Measurement – 2nd Quarter 2022 Report	
Agenda Item No:	6g	
Meeting Date:	August 9, 2022	
Presented by:	Jon Meyer	<i>Staff Presenting Item</i>
Approved by (dept):	Jon Meyer	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

**Motion for Commission Consideration**

None.

**Recommendation/Background**

Performance measurement is a process that assesses the effectiveness of organizations or work groups in achieving their mission and objectives. The District has developed 18 performance measures aligned with District’s values. The District’s performance measurement program focuses on high-level measures that provide information to staff, the Commission, and the public as to the performance of the District in key areas. The report is available on the District’s website, consistent with our objective to openly provide information to our stakeholders allowing them to measure the effectiveness of our performance.

During the 2<sup>nd</sup> quarter, 15 of the 18 performance measures were rated as having positive quarterly performance, and three were yellow.

**Summary**

Staff have prepared the Performance Measurement Report for the 2<sup>nd</sup> quarter of 2022. The report provides a review of actual vs. target performance for measurements.

**Fiscal Impact**

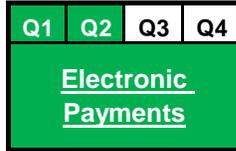
None.



## 2022 PERFORMANCE MEASURES



**Christie McAloon**  
*Page 2*



**Christie McAloon**  
*Page 3*



**Nancy Lang**  
*Page 4*



**Keith Mercer**  
*Page 5*



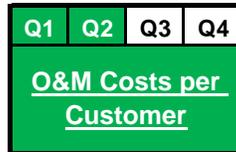
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*Page 6*



**Keith Mercer**  
*Page 7*



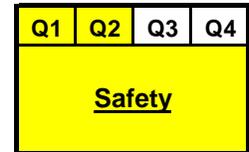
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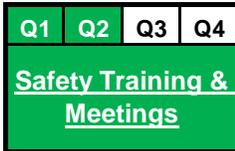
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**Christie McAloon**  
*Page 10*



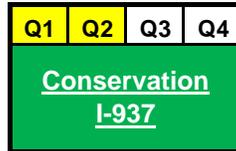
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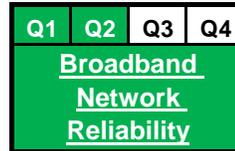
**Karen Dunlap**  
*Page 12*



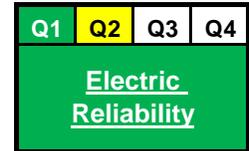
**Chris Johnson**  
*Page 13/14*



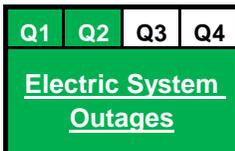
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*Page 15*



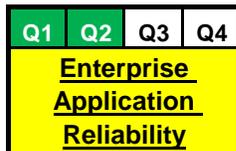
**Chris Folta**  
*Page 16*



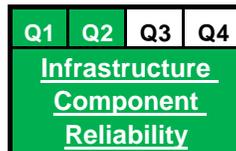
**Evan Edwards**  
*Page 17/18*



**Evan Edwards**  
*Page 19/20/21*



**Jennifer Holbrook**  
*Page 22*



**Duane Crum**  
*Page 23*

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The color assigned for each measure is a subjective evaluation of both the quarterly results, shown in the quarterly squares as well as the year-to-date review for the calendar year compared to established targets, shown in the large box. The legend below provides general guidance for assigning colors.

- Positive performance - positive year review and exceeding quarterly expectation
- Improvement needed - concern about year review and less than quarterly expectation
- Adverse performance - negative year review and negative quarterly performance
- Data not available or no activity during the quarter



2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**  
**Telephone Service Level (Customer Service Queue)**

**Definition**

Measures service level in the customer service queue, achieving a minimum of 70% of all calls answered within 30 seconds or less and 90% of calls answered in 120 seconds or less. This measure captures the timeliness of answering calls routed to the customer service queue, and the effectiveness of the department staff in terms of managing and monitoring the call queue.

**How Performance Measure is Computed**

Service level reporting capabilities are provided by the Cisco phone system. The system measures the speed of answering all incoming customer service calls and maintains that data in a log that can be queried via the Cisco reporting application. The percentage of incoming calls that are answered within 30 seconds and 120 seconds will be displayed for each quarter, and the rating will be based on the quarterly results. The 12 month rolling average will be provided to reflect historical perspective.

**Goal**

Answering at least 70% of incoming calls within 30 seconds or less and 90% of calls within 120 seconds or less, based on quarterly performance. A green rating will be achieved if both goals are met, a yellow rating if one goal is met and a red rating if neither goal is met for the quarter.

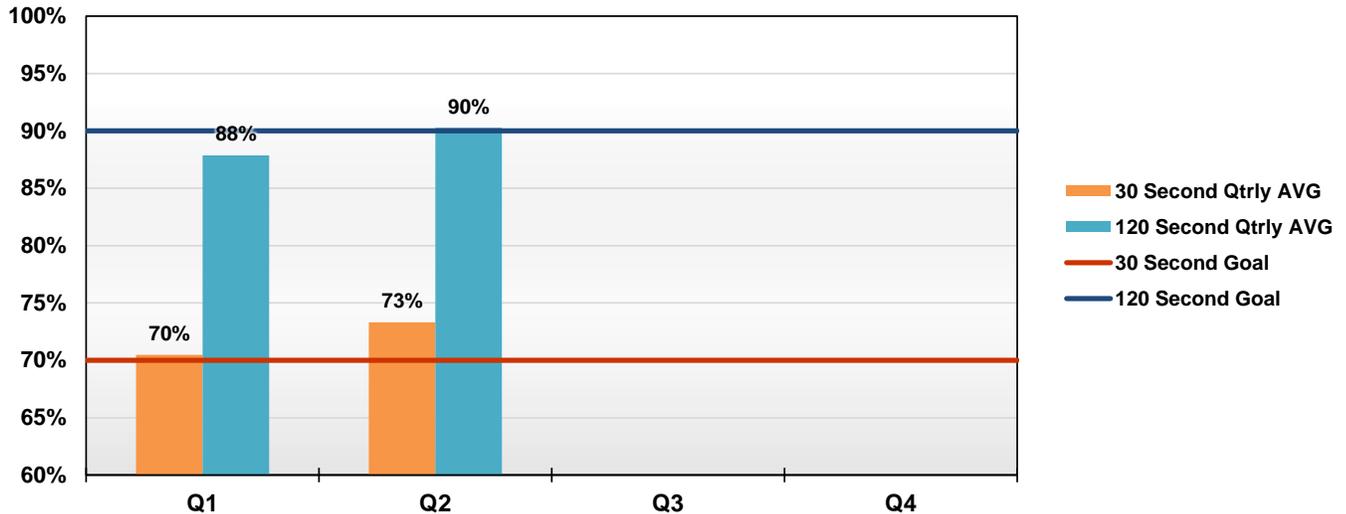
	Number of Calls	Calls Answered Within 30 Seconds			Calls Answered Within 120 Seconds		
		Goal	Quarterly Performance	Rolling Performance	Goal	Quarterly Performance	Rolling Performance
Q1	15,081	70%	70%	78%	90%	88%	90%
Q2	12,612	70%	73%	74%	90%	90%	89%
Q3		70%			90%		
Q4		70%			90%		

Rating
Both goals met
One goal met
Neither goal met

**Quarterly Performance Summary**

Both goals were successfully achieved with 73% of calls answered within 30 seconds and 90% of calls answered within 120 seconds. The increase in calls this year as a result of resuming normal credit processes did not continue into Q2 as the number of calls returned to expected levels. The outlook of the performance measure is green.

**Calls Answered within 30 & 120 Seconds - Quarterly Performance**



Responsible Manager: Christie McAloon

Data Provider: Kristen Demory

Report Date: 7/21/2022



# Telephone Service Levels (Customer Service Queue)

2022 Status			
Q1	Q2	Q3	Q4
▲	●		
Outlook: ●			

**Definition**

Measures the timeliness of answering calls routed to the Customer Service queue and the effectiveness of department staff in terms of monitoring and managing the call queue. Staff strives to answer most calls within 30 seconds and almost all calls within 120 seconds.

**How Performance Measure is Computed**

The performance measures are calculated by dividing the number of calls answered within 30 or 120 seconds by the total number of calls answered that month. The monthly percentages are graphed and analyzed on an XmR chart. Current central line and process limits are calculated based on data from January 2018 through February 2019. (For more information on XmR charts, see Appendix A.)

Performance Rating	
● Green	performance within limits, no unfavorable signal
▲ Yellow	showing an unfavorable signal, no action needed to correct
◆ Red	showing unfavorable signal, action needed to correct

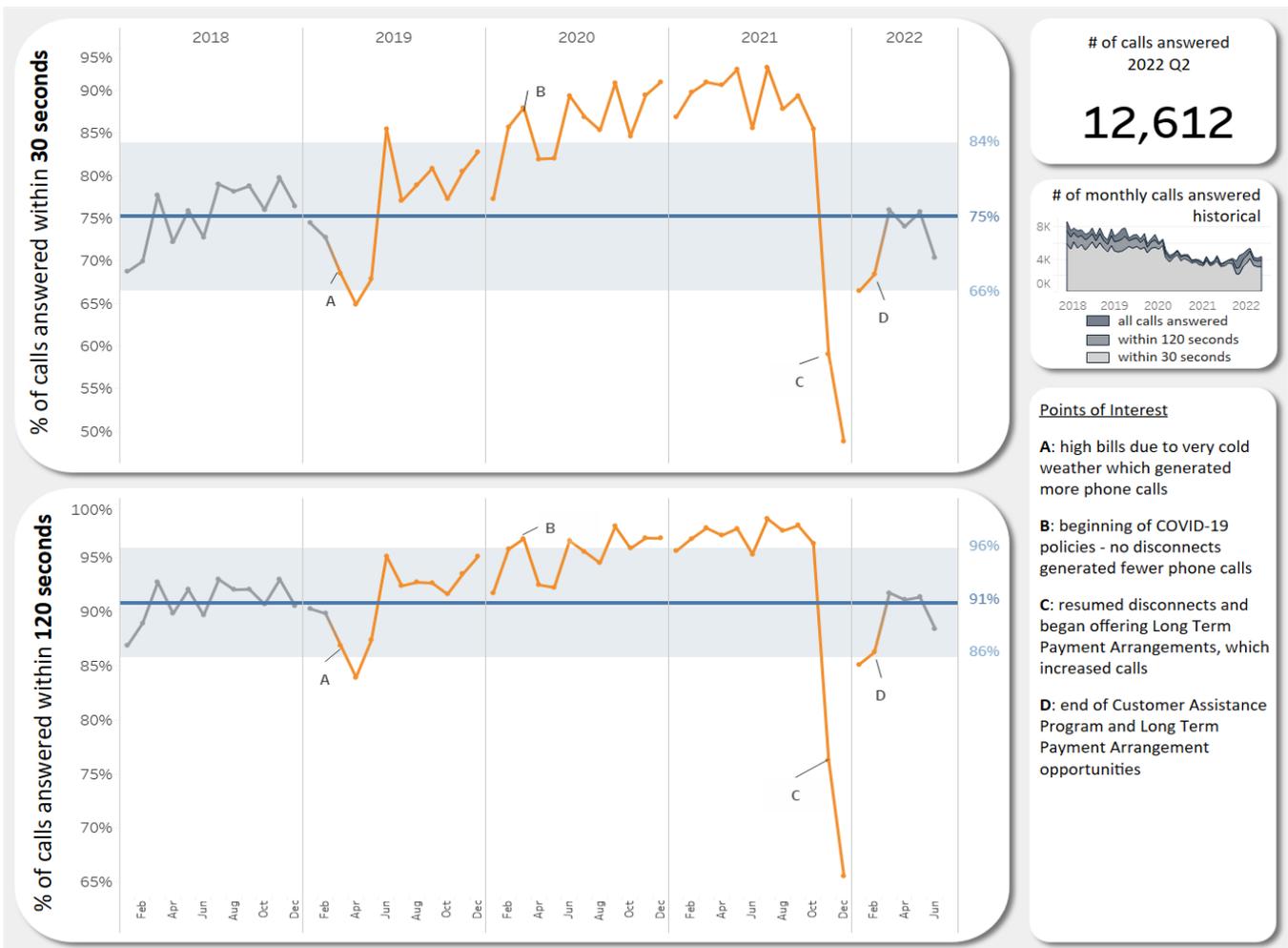
**Performance Measure Objectives**

The current objective is to carefully monitor the Customer Service queue and maintain telephone service levels within normal limits for at least six months. Returning to regular, ongoing credit processes after the pandemic reflects the start of a new normal for the department after two years of modified policies. Managing the queue under what is expected to be more regular circumstances will allow staff to evaluate performance expectations within this new normal and then set informed and appropriate performance objectives going forward.

**Quarterly Performance Summary**

Both measures were within normal performance throughout the quarter, and the 12,612 calls handled during Q2 is comparable with phone call levels since the pandemic. The outlook for the rest of the year is green due to the resumption of regular disconnects in March and the end of the Customer Assistance Program and Long Term Payment Arrangement opportunities.

	# of calls answered within:	
	30 sec.	120 sec.
April	3,128	3,849
May	3,079	3,715
June	3,038	3,820
Quarter	9,245	11,384





2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**

**Electronic Payments**

**Definition**

Measures the percentage of total payments made to the District using electronic payment channels such as the SmartHub website and mobile application, IVR (Integrated Voice Recognition telephone payment system), Pay Now (one time payment website), Autopay or a customers' bank bill pay website. Increasing the number of electronic payments can lower costs by reducing the manual processes required to post payments and reduce errors associated with manual processes. Providing multiple electronic payment channels can lead to increased customer satisfaction and further the Districts efforts in customer engagement.

**How Performance Measure is Computed**

The number of payments processed through Auto Pay, SmartHub Website, SmartHub Mobile Application, IVR system, Pay Now, payment kiosks and bank websites will be compared to the total number of District payments processed during the quarter. A green rating will be assigned if 48% or more of total payments are made by electronic methods during the quarter; yellow rating for 45-47%, and red rating if the number of electronic payments is less than 45% of total payments during the quarter. This rating criteria may be refined as more history is developed and penetration levels are identified from similar utilities.

Rating
48%+
45-47%
<45%

**Goal**

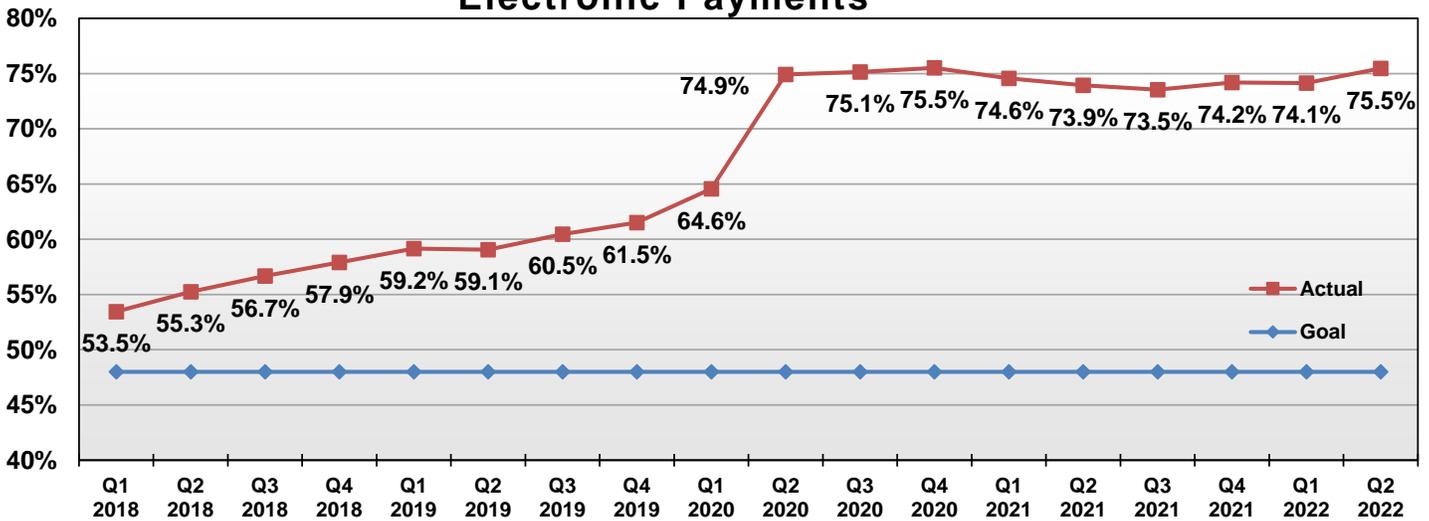
Minimum of 48% of total payments will be made by electronic methods.

	Payments			BPUD Self Serve Payments						Other
	Total Payments	Electronic Payments	Percentage Electronic	Auto Pay	SmartHub Website	SmartHub Mobile App	Telephone System - IVR	Pay Now One Time Payment	Payment Kiosk	Bank Website Payment
Q1	167,183	123,966	74.1%	44,504	19,585	19,465	10,681	20,131	952	8,648
Q2	163,040	123,039	75.5%	45,400	18,636	18,927	9,763	20,821	855	8,637
Q3	-	-	-	-	-	-	-	-	-	-
Q4	-	-	-	-	-	-	-	-	-	-

**Quarterly Performance Summary**

Customer utilization of self serve payment options in Q2 was the highest percentage since resuming normal credit processes, and was tied with the highest utilization seen during the height of the pandemic. Customers are continuing to choose convenient electronic options. Auto Pay especially continues to see steady adoption.

**Electronic Payments**



Responsible Manager: Christie McAloon

Data Provider: Kristen Demory

Report Date: 7/21/2022



**Performance Measure Title**  
**Electronic Payments**

2022 Status			
Q1	Q2	Q3	Q4
●	●		
Outlook: ●			

**Definition**

Measures the percentage of total payments made to the District using electronic payment channels. Payment channels currently offered by the District include: Auto Pay, the SmartHub website and mobile application, the Integrated Voice Recognition (IVR) telephone system, Pay Now (one time payment via website), payment kiosks, and a customer's bank website. Providing multiple electronic payment channels is a customer convenience that can lead to increased satisfaction and further the District's efforts in customer engagement. Increasing the number of electronic payments can lower costs by reducing staff time and possible errors associated with manual processes.

**How Performance Measure is Computed**

Electronic payment percentage is calculated as the total number of electronic payments divided by the total number of all payments made that month. The monthly percentages are graphed and analyzed on an XmR chart. Current central line and process limits are calculated based on data from September 2021 through March 2022. (For more information on XmR charts, see Appendix A.)

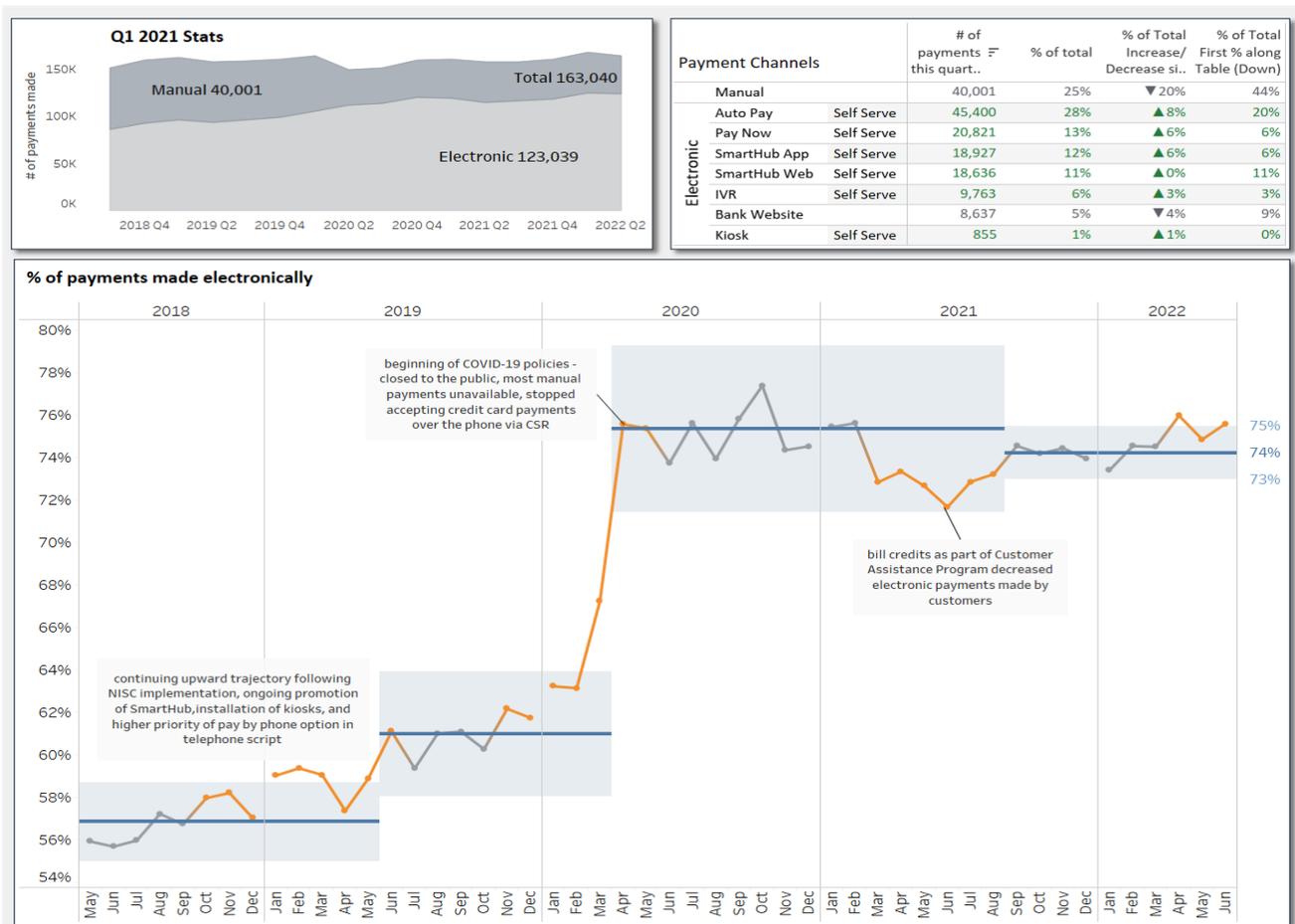
Performance Rating	
<b>Green</b> ●	performance within limits, no unfavorable signal
<b>Yellow</b> ▲	showing an unfavorable signal, no action needed to correct
<b>Red</b> ◆	showing unfavorable signal, action needed to correct

**Performance Measure Objectives**

The current objective is to maintain performance within normal limits for at least six months. It is clear that many of the customers that switched to electronic payment channels out of necessity at the start of the pandemic have elected to continue paying electronically even as the District returns to normal processes. Staff will analyze electronic payment utilization within the new normal framework of regular credit and disconnect processes, which impact payment trends, before setting further objectives.

**Quarterly Performance Summary**

Customer utilization of electronic payments positively exceeded normal limits during Q2. Collection was very high during the quarter as customers caught up on past due balances, producing the outlier signal on the XmR chart. Customers continue to steadily transition away from manual payment methods, most noticeably to Auto Pay and Pay Now, and staff expects the upward trend to continue.





2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**  
**Service Order Time Tracking**

**Definition**

Once a new or altered service is eligible for energization\*, the following items will be measured:

- 1) Length of time it takes the Operations Center to energize a new service once Engineering has transitioned the electronic service order to them in the Work Flow Management system (WFM), after the customer has met the criteria described by the \* below.
- 2) Length of time it takes to set up the customer account in the Customer Care & Billing (CC&B) system for billing after Operations transitions it over to them from the WFM system.

**\*Eligible for energization is based on the customer meeting the following criteria: trench has been inspected on an underground service, fees have been paid, L & I state approval has been received, and customer is ready for power. The District has no control over the time span to energize a new or altered service until the criteria has been met.**

**How Performance Measure is Computed - 1st Chart**

After Engineering has released all holds in the WFM system, the service order is transitioned to Operations. Performance is measured from the date received by Operations in WFM and the completion date of when the meter was set (energized).

**How Performance Measure is Computed - 2nd Chart**

This performance is measured from the date Customer Service receives the electronic Service Order from Operations, to the date Customer Service closes the electronic service order. This shows the average number of days for Customer Service to set up the customer account.

**Goal**

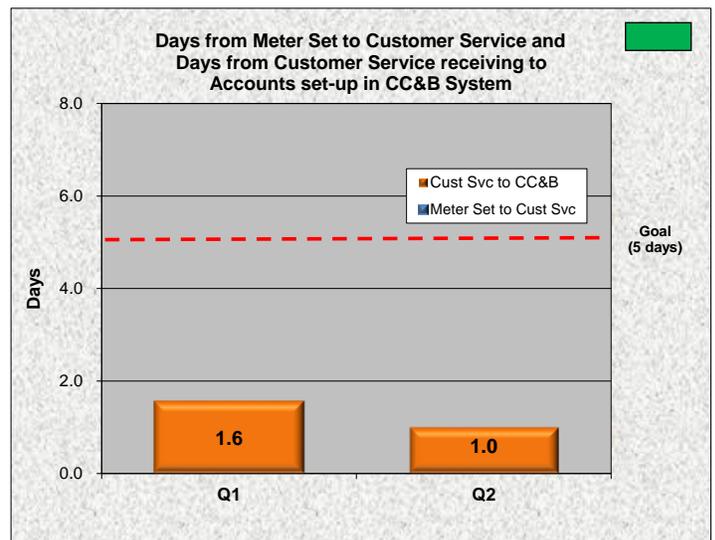
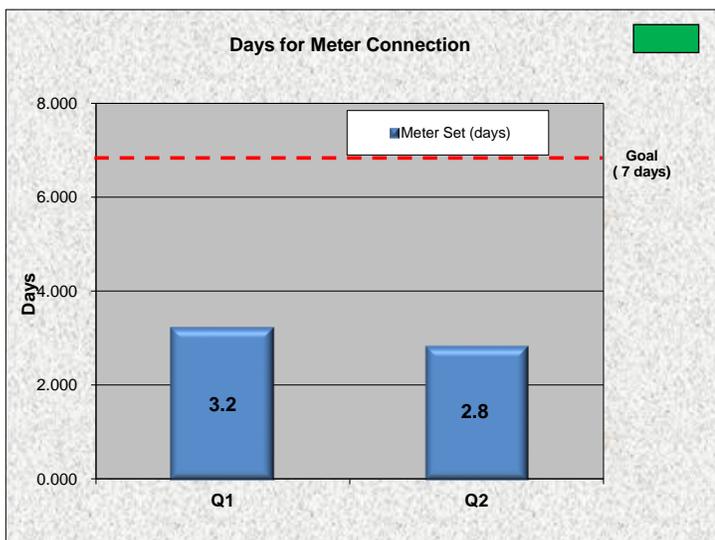
The goal is to energize new services within an average of 7 days after customer criteria has been met, then have the Service Order transitioned from Operations to Customer Service and have new accounts set up in CC&B within an average of one week (5 days).

Rating Criteria:	Operations	Customer Service	Combined Rating
	7 days or less	5 days or less	Both green
	8 - 9 days	6 - 7 days	Either is yellow
	> 9 days	> 7 days	Either is red

In Days	Q1		Q2		Q3		Q4	
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Connection (Chart 1)	7	3.2	7	2.8	7		7	
CC&B System (Chart 2)	5	1.6	5	1.0	5		5	
New services count		377		289		0		0

**Quarterly Performance Summary**

During the second quarter of 2022 it took on average 2.8 days for a new service to be energized once the customer had met all requirements, meeting the criteria of 7 days or less. Time from the service order being available to Customer Service to the account being activated was 1 day, meeting the criteria of 5 days or less. There were a total of 289 new services energized in the second quarter of 2022; which is 1 more than Q2 in 2021.



Responsible Manager: Nancy Lang  
 Data Providers: \_\_\_\_\_

Report Date: 7/8/2022



**Performance Measure Title**  
**Rate Comparisons**

2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Definition**

This indicator compares the District's Residential monthly base charge and average monthly bill to other utilities in the Northwest. A benchmarking base amount of 1,300 kWh and 30 days is used for comparison purposes.

**How Performance Measure is Computed**

Gather current rates from 17 utilities throughout the Northwest and graph Benton PUD in relation to these utilities. Utilities selected for comparisons must purchase 60% or more of their power from BPA.

**Goal**

Performance will be measured based on a quarterly rate comparison. A green rating will be assigned if the District's average monthly bill is below the median, a yellow rating will be assigned if the District's average monthly bill is in the quartile above the median, and a red rating will be assigned if the District's average monthly bill is in the highest quartile. In addition, the average residential increases over a five year period as compared against the CPI-U annually will be factored into the rating and outlook. The Residential monthly base charge is shown for comparison purposes only.

	Residential Average Monthly Bill	
	Goal	Actual
Q1	< \$125	\$115
Q2	< \$125	\$115
Q3		
Q4		

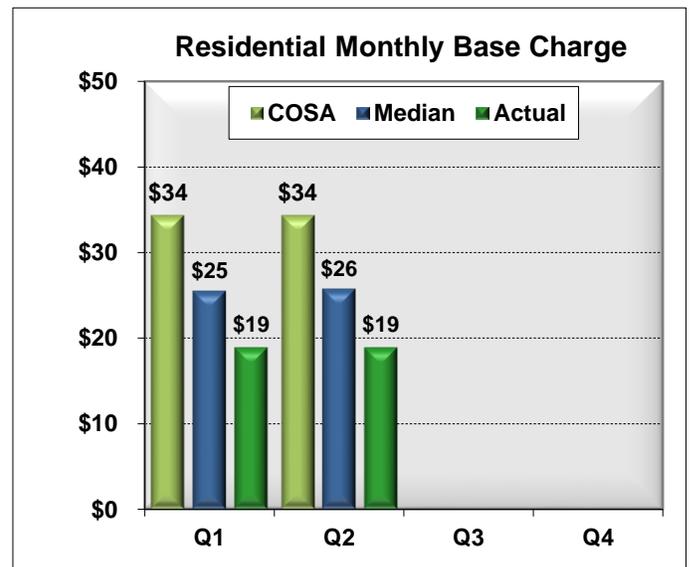
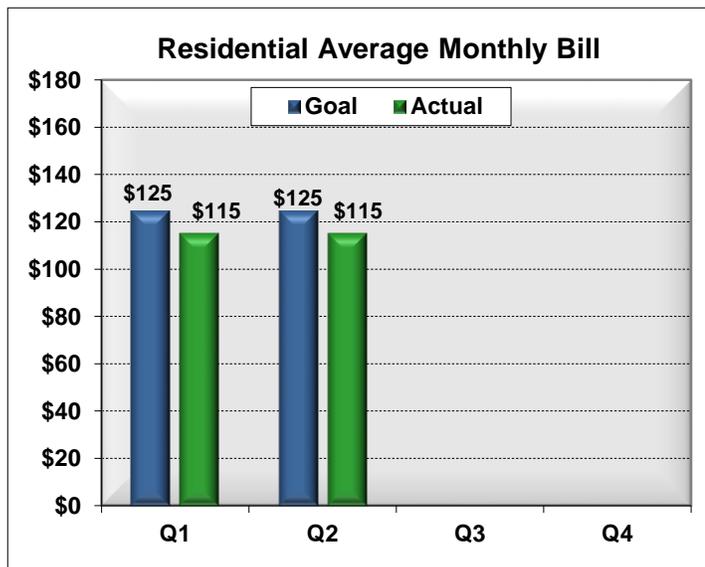
	Residential Monthly Base Charge Comparison		
	COSA	Median	Actual
Q1	\$34	\$25	\$19
Q2	\$34	\$26	\$19
Q3			
Q4			

	BPUD Avg Yearly Residential Rate Increase Compared to CPI-U*	
	BPUD Avg Yearly % Increase	CPI-U* Avg Yearly % Increase
5 Year	0.9%	2.7%
10 Year	1.9%	2.0%
15 Year	1.6%	2.1%

\*Consumer Price Index for All Urban Consumers (CPI-U) U.S. city average series for all items, not seasonally adjusted. The above percentages utilize the October to October CPI-U.

**Quarterly Performance Summary**

During Q2 2022 the District's Residential rates were below the median of comparable utilities for both average monthly bill and Residential base charge, so a green rating was assigned. During Q2, three of the benchmark utilities had Residential rate increases; Clallam PUD (an average of 2.3% increase), Snohomish PUD (an average of 2.2% increase, implemented a \$3.00 per month customer charge), and Tillamook Utility District (an average 4.6% increase). In Q1, five of the benchmark utilities had Residential rate increases; Eugene Water & Electric (an average of 3.7% increase), Lewis PUD (an average of 1.0% increase), Mason PUD #3 (an average of 5.3% increase), Okanogan PUD (an average of 5.7% increase), and Umatilla Electric Coop. (an average of 4.9% increase).



Responsible Manager: Keith Mercer

Data Provider: Katie Grandgeorge

Report Date: 7/20/2022



2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**

**Back Bills and Billing Corrections due to District Errors**

**Definition**

Back bills and bill corrections can have a significant impact on customers and on District staff. While some back bills are due to customer error (signing up for service at the wrong apartment or mislabeled meter bases), other back bills are preventable. Some examples of avoidable back bills include equipment failure that is overlooked for a period of time and results in a back bill of more than one month, or not transferring a low income discount when a customer moves. Only preventable back bills due to staff error, or those that were caused by equipment failure not detected in a timely manner, will be counted in this performance measure. When a significant back bill occurs, the rating could be assigned a yellow or red rating depending on the severity of the back bill. This rating would be assigned regardless of the number of back bills during the period.

**How Performance Measure is Computed**

On a quarterly basis, the number of back bills caused by the following reasons will be reported: defective meter, incorrect multiplier, service orders not processed in a timely manner, data entry error in CIS, missing low income discount, incorrect bill cycle, switched meters and data entry errors. Back bills are processed by the Billing Specialist and will be tracked in a spreadsheet that captures the number of back bills falling into these categories, and the nature of the back bill (i.e. customer error or District error). Each customer affected by a back bill will be counted as "1". For example, all customers affected by a District-caused meter switch will be counted.

**Goal**

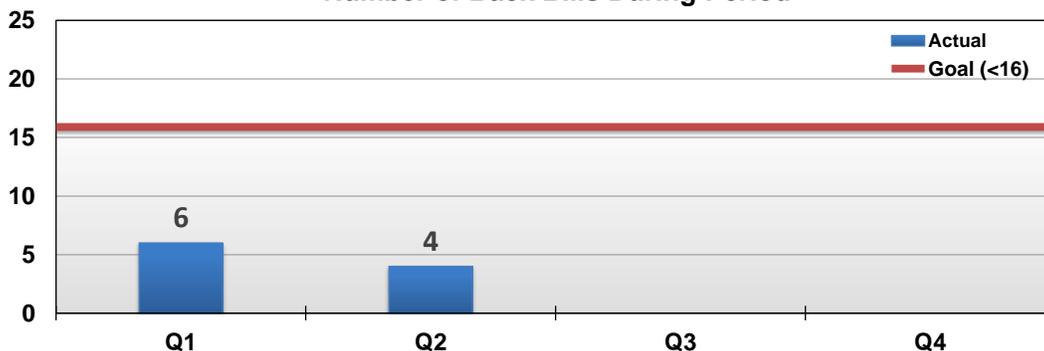
Less than 16
Between 16 - 24
Greater than 24

		Number of Back Bills	
	Number of Bills Issued	Goal	Actual
Q1	142,553	<16	6
Q2	143,365	<16	4
Q3	0	<16	
Q4	0	<16	

**Quarterly Performance Summary**

1) Customer started service at a location with a residence and a shop. Residential service transferred to the new customer name, however the shop service was not transferred resulting in a back bill of -\$89.11, covering a period of 3 months. Two customers were impacted by this error, counting for two back bills. 2) A new service was established in the contractor's name instead of the home buyer. The instructions on the service order stated when the meter was energized, the account was to be established in the home buyers name. The error resulted in a back bill of -\$812.44, covering a period of 3 months. Two customers were impacted by this error, counting for two back bills.

**Number of Back Bills During Period**



Responsible Manager: Christie McAloon

Data Provider: Christie McAloon

Report Date: 7/20/2022



2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**

**Unrestricted Reserves / Days Cash on Hand**

**Definition**

Days Cash on Hand measures the number of days an enterprise can cover its operating expenses using unrestricted cash and investments and assuming no additional revenue is collected. Total Unrestricted Reserves include Minimum Operating Reserves and Designated Reserves, such as the Power Market Volatility Account, Customer Deposits Account, and Special Capital Account, as defined in the District's Financial Policies adopted by Resolution 2313 and reported in the monthly financial statements. Beginning in 2015, Minimum Operating Reserves are defined as 90 days cash on hand. This ratio is useful for measuring the relative strength of a utility's financial liquidity. It must be evaluated in conjunction with identified immediate risks to cash flow and compared to the number of days it takes for the utility to raise its rates and begin to receive additional revenues.

**How Performance Measure is Computed**

Days Cash on Hand is computed by multiplying the total unrestricted cash and investments by 365 and then dividing that result by the total operating expenses (excluding depreciation and amortization). Operating expenses will be based on the latest forecast at the end of each quarter.

**Goal**

The District's current Financial Policies establish a Minimum Operating Reserve of 90 Days Cash on Hand and require financial plans to maintain Days Cash on Hand to achieve or maintain the Targeted Bond Rating (median of public power utilities). Targeted Days Cash on Hand shall consider relevant and recent benchmark data published by rating agencies for similar rated utilities as well as input from the District's Financial Advisor and recent experience with Rating Agencies. Staff's recommended Targeted Days Cash on Hand is 120 days +/-10%. This measure will be rated "green" if the Days Cash on Hand is at or above the bottom of the recommended range (108 days), "yellow" if the year-end forecast for Days Cash on Hand is between the Minimum Operating Reserve (90 days) and the bottom of the recommended range or 10% over the top of the recommended range, and "red" if the Days Cash on Hand is lower than the Minimum Operating Reserve.

	District Target	Actual
Q1	108 to 132	142
Q2	108 to 132	131
Q3	108 to 132	
Q4	108 to 132	

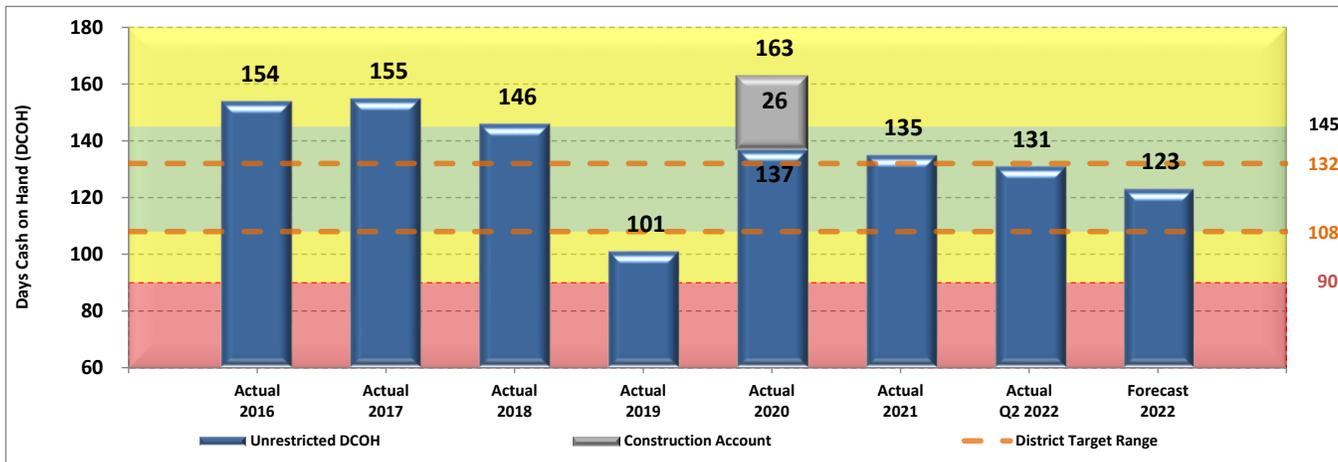
	Minimum	Budget	Actual
Q1	\$38.64M	\$56.27M	\$57.19M
Q2	\$38.64M	\$53.71M	\$56.36M
Q3	\$38.64M	\$54.73M	
Q4	\$38.64M	\$51.31M	

Designated Reserves - Year-end Forecast*	
Description	DCOH
Minimum Operating Reserves	90
Power Market Volatility	28
Special Capital	1
Customer Deposits	4
Undesignated Reserves	0
<b>May 2022 Year-end Forecast</b>	<b>123</b>
Construction Account	0
<b>Total Year-End Forecast</b>	<b>123</b>

\*Designated reserve breakdown is still to be decided by the Commission

**Quarterly Performance Summary**

The District had 131 total Days Cash on Hand (DCOH) at the end of Q2 indicating a green rating. The District's unrestricted reserves decreased by \$0.8M in Q2, which was mainly caused by a reduction in Irrigation revenue due to lower than expected Irrigation usage because of cooler and wetter than normal weather. The reduction in revenue was partially offset by lower power cost. DCOH will fluctuate throughout the year and from year to year depending on gross power costs, O&M expenditures, and retail revenues. The outlook is also rated green.



Responsible Manager: Keith Mercer

Data Provider: Katie Grandgeorge

Report Date: 7/20/2022



2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**

**O&M / Net Capital**

**Definition**

This indicator measures the District's actual operations and maintenance (O&M) expenses vs. budget and the actual net capital expenditures vs. budget on a year-to-date basis. O&M expenses include transmission, distribution, broadband and all District internal costs and exclude power supply costs, taxes, depreciation, interest expense and other non-operating expenses. O&M and capital expenditures are a subset of all expenditures incurred by the District. While all costs are controllable by the District in the long-term, management has more direct control of these costs over the short-term and may more immediately impact District financial results through decisions in these areas.

**How Performance Measure is Computed**

The official budget that is approved by the Commission for the calendar year will represent the standard against which actual results are measured. The original budget is amended by the Commission during the 4th quarter of each year. Year-to-date O&M expenses and net capital expenditures will be compared to budget at the end of each quarter.

**Goal**

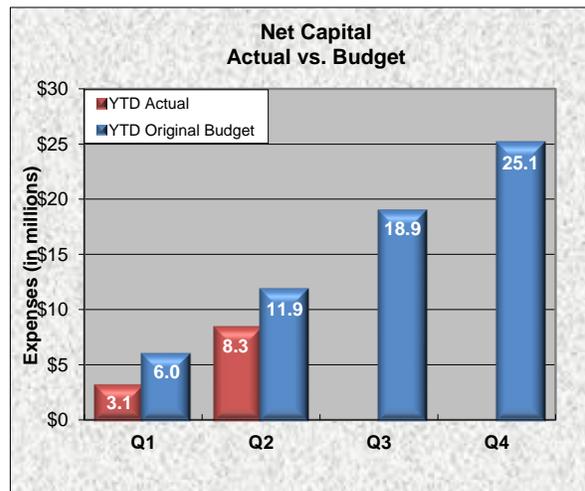
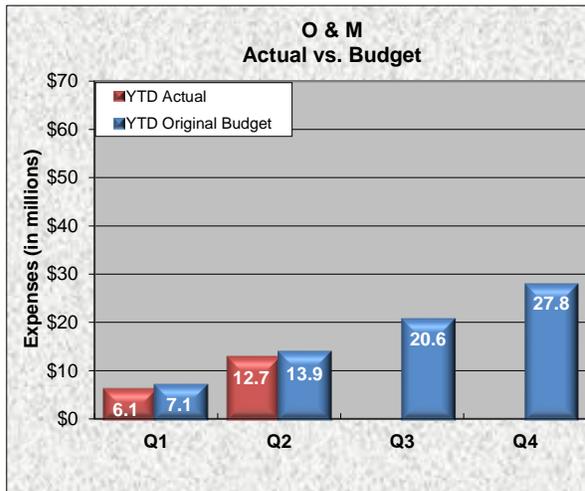
Meet the year-to-date budget projections.

in millions	O & M			Net Capital		
	YTD Original Budget	YTD Actual	% of Total Budget*	YTD Original Budget	YTD Actual	% of Total Budget*
Q1	\$7.110	\$6.146	22%	\$6.010	\$3.106	12%
Q2	\$13.941	\$12.726	46%	\$11.870	\$8.310	33%
Q3	\$20.624		0%	\$18.949		0%
Q4	\$27.779		0%	\$25.120		0%

\* % of total original budget, \*\*actuals do not include pension expense

**Quarterly Performance Summary**

The numbers included in this calculation are based on preliminary financial data. O&M expenses of \$12.7 million through the second quarter of 2022 are 9% or \$1.2 million under the original budget. A large portion of the variance to budget is more labor (wage & benefits) being charged to capital than expense as originally budgeted and timing of joint use projects. Net capital expenditures of \$8.3 million through the second quarter are 30% or \$3.6 million under the net capital budget. A large portion of the variance is due to the timing of large projects in transmission, broadband, and capacity and reliability. District staff continue to monitor supply chain constraints and its impact on projects. These measures were rated green for the quarter and outlook.



Responsible Manager: Kent Zirker  
 Data Provider: Janelle Herrington

Report Date: 7/25/2022



2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**  
**O&M Costs per Customer**

**Definition**

This performance measure will track the District’s non-power operating and maintenance (O&M) costs per customer, excluding broadband and reimbursable mutual aid costs and including bad debt expense. O&M expenses are a subset of all expenditures incurred by the District. While all costs are controllable by the District in the long-term, management has more direct control of O&M costs over the short-term and may more immediately impact District financial results through decisions in these areas.

**How Performance Measure is Computed**

Actual O&M expenses, excluding broadband and reimbursable mutual aid costs and including bad debt expense, as reported in the financial statements will be divided by the average number of active service agreements on a rolling 12-month basis. Results at the end of each quarter will be compared to the 2022 target of \$477 per customer. The 2022 target was developed from the 2022 budget of \$473 per customer incremented by \$200,000 or \$4 per customer to allow for variations in the level of internal labor charged to capital projects v. expense. A rating of green will be assigned if the O&M costs per customer are less than 2% above the target; a rating of yellow will be assigned if the O&M costs per customer are more than 2% but less than 3% above the target; a rating of red will be assigned if the O&M costs per customer are more than 3% above the target.

**Goal**

Maintain or decrease the O&M costs per customer as compared to the 2022 target of \$477 per customer.

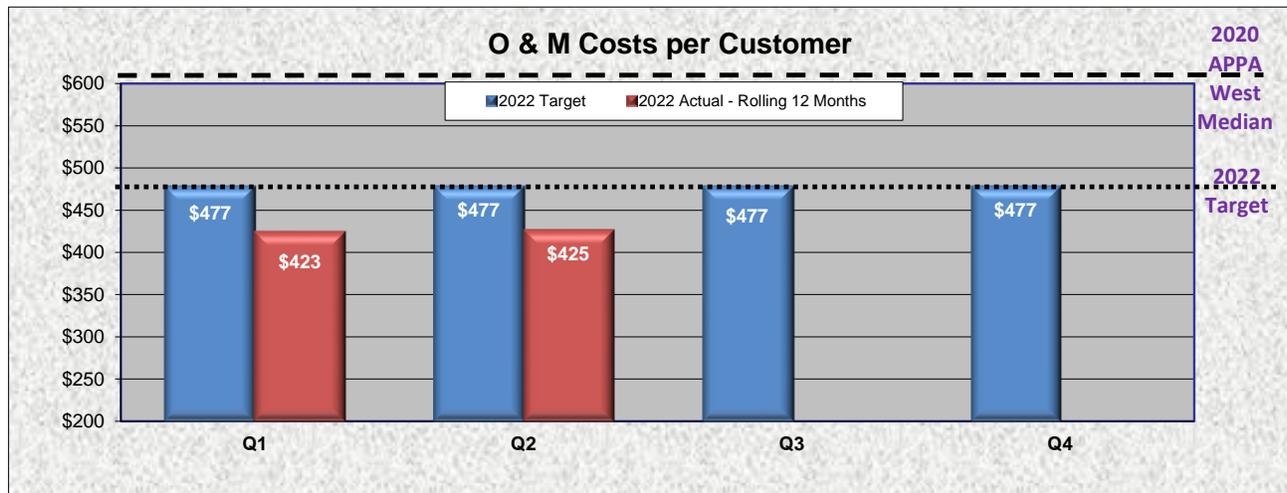
	O & M	
	2022 Target	2022 Actual
Q1	\$477	\$423
Q2	\$477	\$425
Q3	\$477	
Q4	\$477	

Information Only	Stated Year Dollars	2022 <sup>(1)</sup> Dollars
Benton PUD - CY 2020 Actual*	\$435	\$461
Benton PUD - CY 2021 Actual*	\$424	\$437
Benton PUD - CY 2022 Budget*	\$477	\$477
APPA - 2019 West median <sup>(2)</sup>	\$616	\$673
APPA - 2020 West median <sup>(2)</sup>	\$639	\$678

\* includes bad debt expense, does not include GASB pension entry  
 (1) Escalated at 3% per year  
 (2) Selected Financial and Operating Ratios of Public Power Systems survey  
 (Note: accounting for payroll taxes and benefits may vary among utilities)

**Quarterly Performance Summary**

The numbers included in this calculation are based on preliminary financial data. O&M costs per customer on a rolling 12-month basis at the end of the second quarter were \$425, which is 10.9% below the Target amount. A large portion of the variance to budget is more labor (wage & benefits) being charged to capital than expense as originally budgeted and timing of joint use projects. The Target amount is calculated on the original budget. The District continues to be well below the APPA West median of \$639.





2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**  
**Accounts Receivable Collections**

**Definition**

Percentage of accounts receivable that are outstanding and less than 60 days after billing.

**How Performance Measure is Computed**

The percentage is calculated by dividing the amount of accounts receivable under 60 days by the total amount of accounts receivable for electric customers. This measure does not include miscellaneous accounts receivable, such as power billings or cost reimbursements.

**Goal**

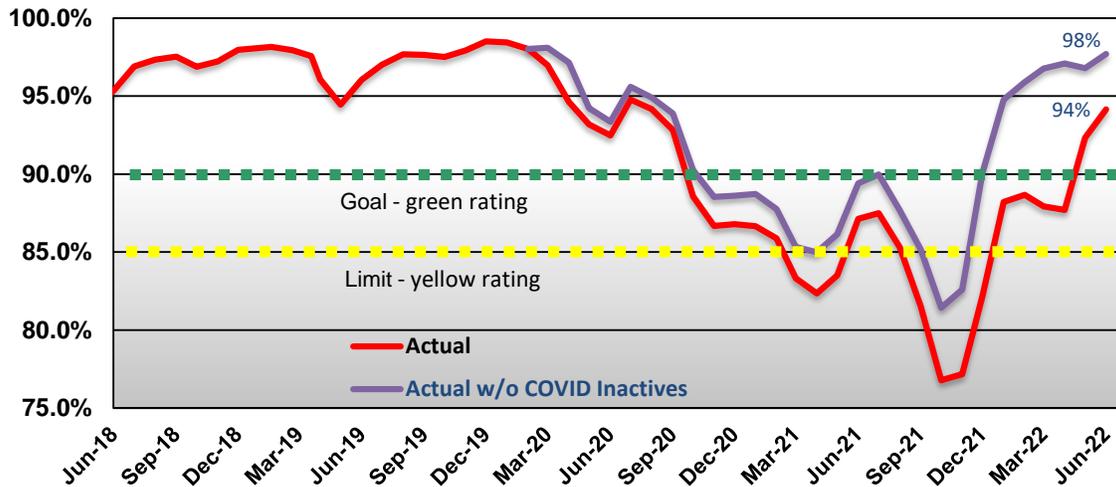
The goal is to increase the percentage of accounts receivable under 60 days to a level of 90% or more of the total accounts receivable. A green rating will be achieved if the actual results are at 90% or higher; a yellow rating will be assigned if the actual results are between 85% to 90%; a red rating will be assigned if the actual results are below 85%.

	Goal	Actual
Q1	90%	Q1 97% (excluding inactive accounts)
Q2	90%	Q2 94% (including inactive accounts)
Q3	90%	
Q4	90%	

**Quarterly Performance Summary**

The monthly percentage of outstanding accounts receivable under 60 days were 88% (w/o inactive accounts), 92% (w/o inactive accounts) and 94% (including inactive accounts) respectively during Q2. The improved performance is partially a result of resuming write off processes in April 2022. As a result of the Governor's moratorium on disconnects, normal collection procedures were stalled until April 1, 2022 preventing collection and write off activities. The District offered a customer assistance program during 2021 which provided about \$1.4 million in assistance. In spite of that and roughly \$1.4 million in customer assistance received from CAC, the balance of inactive past due receivables grew to about \$800,000. To date, approximately \$500,000 of inactive past due receivables have been written off. This measure was temporarily adjusted to show the metric without inactive receivables that occurred during the pandemic which is shown in the purple line. As of this report, reporting for this measure has been returned to normal.

**Percentage of Accounts Receivable Under 60 Days**



Responsible Manager: Christie McAloon

Data Provider: Kent Zirker

Report Date: 7/21/2022



2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**

**Safety**

**Definition**

The measure will benchmark reportable injuries or illnesses as recorded on the OSHA 300 log. The summary will specify incidents and look for trends and opportunities to correct through training, retraining, work procedure changes, engineering controls or other reasonable actions to address.

**How Performance Measure is Computed**

We will use the OSHA Form 300A "Summary of Work Related Injuries and Illnesses" for safety benchmarking against the Bureau of Labor Statistic numbers published each year. The basic requirement for recording an illness or injury is if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness, or a significant injury or illness diagnosed by a physician or other licensed health care professional. The incidence rates are calculated according to the following formula:  $(N/EH) \times 200,000$  where N = number of incidents for the previous 12-months and EH = total hours worked by all employees during the same 12-month period. The 200,000 is the constant for 100 full-time workers working 40 hours per week for 50 weeks per year.

**Benchmark (not to exceed)**

The benchmark is to be less than the Total Recordable Cases as published annually by the Bureau of Labor Statistics. This figure changes annually as a result of OSHA 300 log reports. This measure will be rated green if BPUD calculated reportable incidents are below 80% of the benchmark, yellow if they are between 80%-120% of the benchmark, and red if they are over 120% of the benchmark or as a result of a serious injury and/or Labor and Industries citation.

	Benchmark	BPUD
Q1	3.4	3.4
Q2	3.4	2.7
Q3	3.4	
Q4	3.4	

**Quarterly Performance Summary**

There were four incidents reported on the OSHA 300 form in the last 12 months (July 1, 2021 - June 30, 2022):

- ~ 05.07.22: Lineman - Suffered strain to groin while replacing ridge pin and putting up primary wire
- ~ 02.28.22: Lineman Foreman - Suffered strain/sprain/bruising/soreness to both ankles, back, and hip which resulted from stepping out of the truck on a rock and on unstable/uneven ground
- ~ 01.04.22: Customer Service Field Rep - suffered strain/sprain to back, knee, arm, shoulder, and wrist which resulted from stepping out of a vehicle on a thick layer of ice
- ~ 09.03.21: Employee - days away/illness



Responsible Manager: Steve Hunter

Data Provider: Diane Schlekewey

Report Date: 7/25/2022



2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**

## Safety Meeting and Training Attendance

**Definition**

This performance measure reflects the results achieved in meeting the safety program training and participation goals for the quarter. The training goal includes those trainings sponsored by the District and where attendance is required. The participation aspect includes non-training activities that depend upon employee involvement. The goal is to ensure the majority of scheduled participants attend the trainings or meetings while allowing flexibility for those on protected leave. Failing to achieve the goals may reflect other legitimate schedule conflicts, ineffective course frequency or length, priority-setting improvements needed for participants and/or their managers, or other interfering factors.

**How Performance Measure is Computed**

The target is derived each quarter based on the group participation goals approved by the Central Safety Committee and Leadership Team. It is the percentage of training/meeting attendance against the expected attendance, as well as the number of Operations crew reports turned in. The rating is set so all of the meeting and training attendance averaged together must equal 90% or above to achieve a green rating. A yellow rating reflects an average between 80-89.99% , and a red rating is less than 80% average attendance.

**Goal**

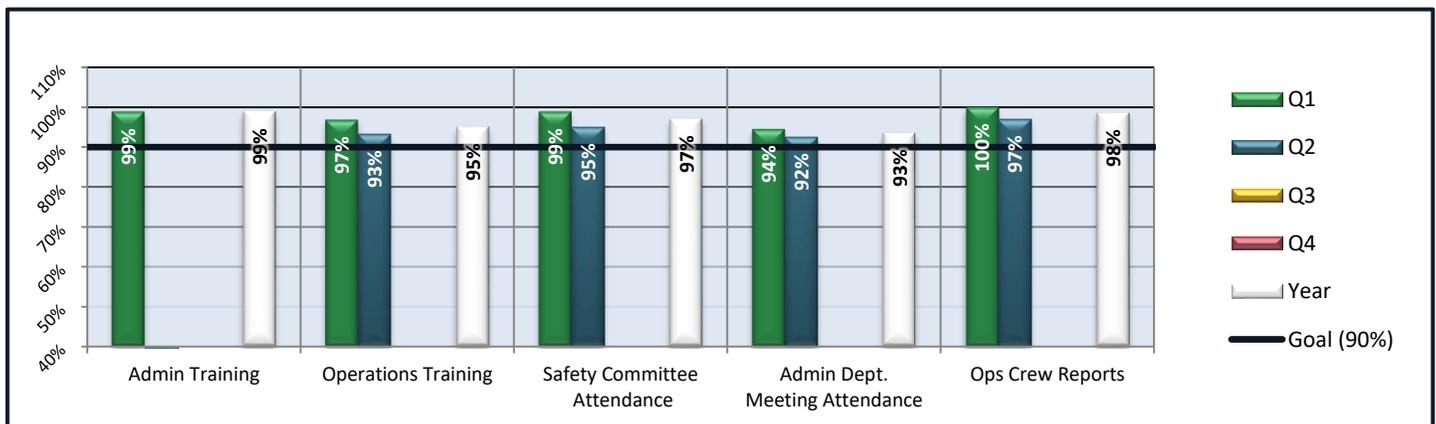
Achieve minimum 90% or greater average attendance and participation at safety-related trainings and meetings

	Training Attendance			Participation				Goals
	Admin Training	Ops Training	AVG	Committee Attendance	Admin Dept Attendance	Ops Crew Reports	AVG	Overall AVG
Q1	98.8%	96.8%	97.8%	98.8%	94.4%	100.0%	97.8%	98%
Q2	N/A	93.2%	93.2%	95.0%	92.4%	97.0%	94.8%	94%
Q3								
Q4								
Year	98.8%	95.0%	95.5%	96.9%	93.4%	98.5%	96.3%	96%

Rating
AVG ≥ 90%
AVG = 80-89%
AVG < 80%
Incomplete

**Quarterly Performance Summary**

In the second quarter, the Administrative and Operations groups averaged 94% across the safety training and participation goals set for both groups. For the quarter, 93% of Operations participated in crew/shop trainings as approved by L&I and covered Fire Extinguishers/Gas Island Safety, Wildfire Smoke Awareness and Mitigation/Heat Stress and Exposure, and Pole Top/Bucket Rescue. 97% of Crew Reports were returned. No Admin safety training was scheduled this quarter. 92% of Admin staff reviewed monthly safety information. The Safety Committees averaged 95% attendance overall.



Responsible Manager: Karen Dunlap

Data Provider: Sidwell and Demory

Report Date: 7/21/2022



2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**  
**Net Secondary Market Activity**

**Definition**

Measures the District's net secondary market activity by comparing the actual versus budget monthly average market price and associated secondary market sales revenue and power purchase cost. The measure also evaluates the effectiveness of the District's management of power supply risk through the use of long-term contracts, hedging, forward sales and purchases, and financial derivatives. Secondary market sales revenue when the District is long on energy and secondary market purchases when the District is short on energy are critical elements of the District's net power costs.

**How Performance Measure is Computed**

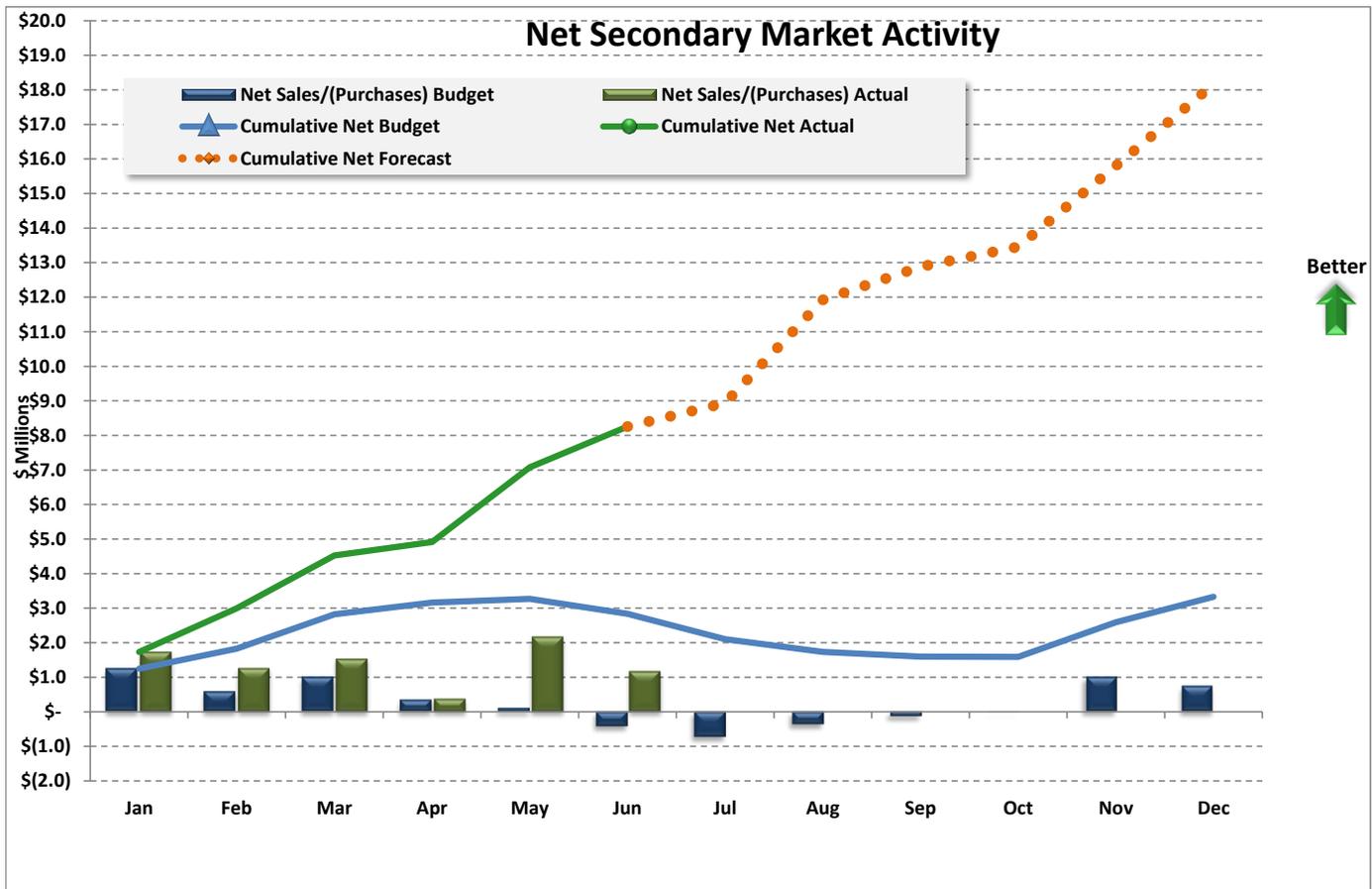
Quarterly status based on the actual net secondary market activity (secondary market sales and purchases) versus the budgeted net secondary market activity. Outlook is based on the likelihood of meeting annual budgeted net secondary market activity based on the year-to-date cumulative activity plus the remainder of the year forecast.

**Goal**

Achieve net secondary market activity equal to or better than the budgeted net secondary market activity. A green rating will be assigned if actual net secondary market activity is equal to or less than 10% worse than budgeted net secondary market activity; a yellow rating if 11% - 19% worse than budgeted net secondary market activity; a red rating if 20% or more below budgeted net secondary market activity.

**Quarterly Performance Summary**

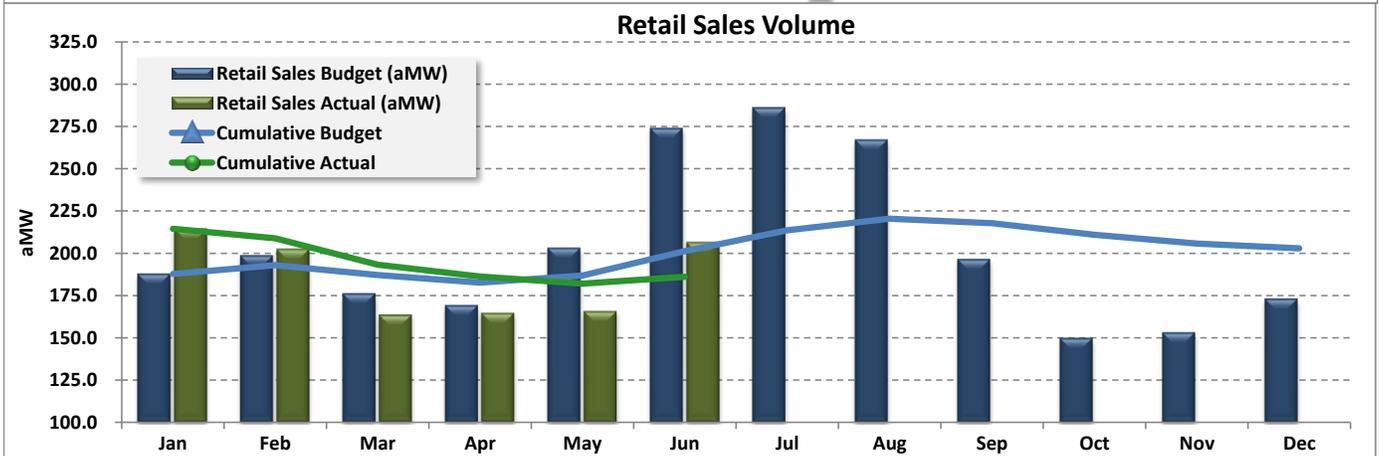
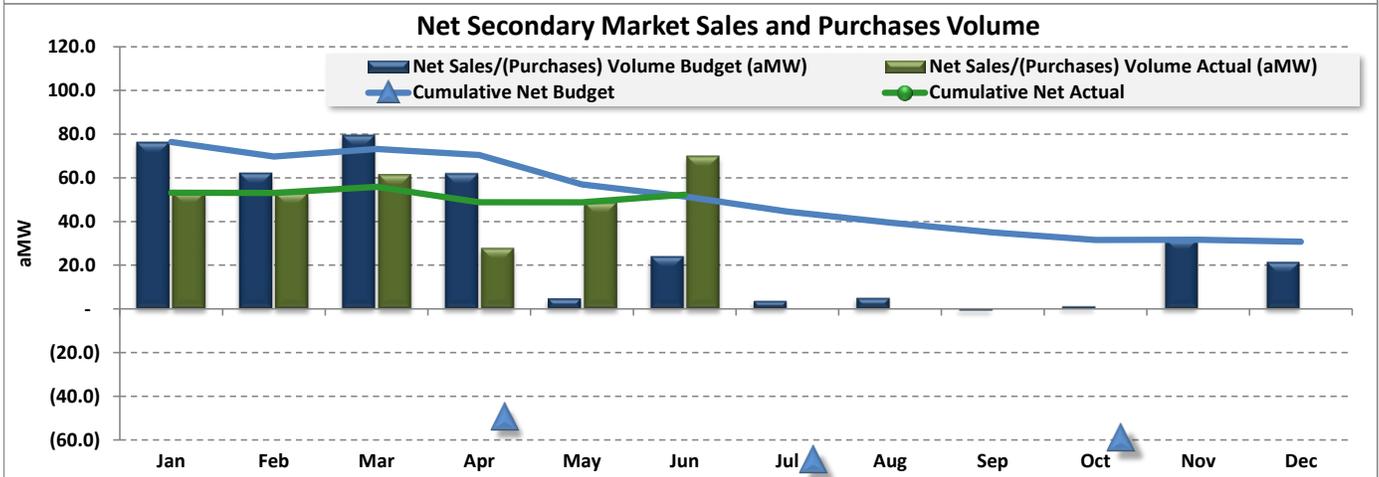
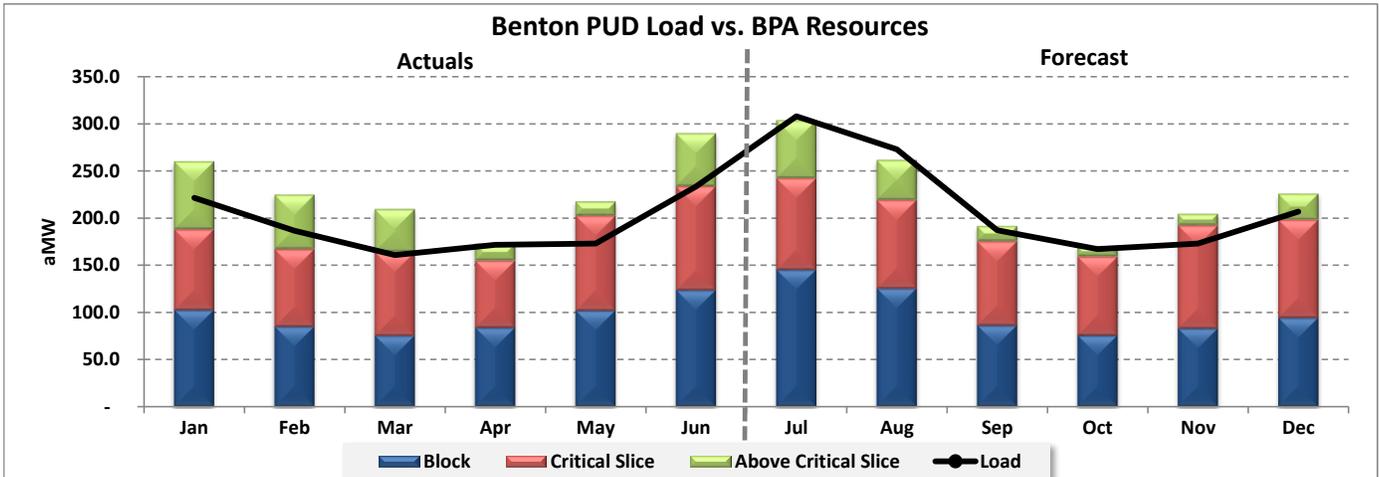
Net secondary market activity in Q2 was \$3.7M better than the original budget due to a combination of higher secondary market prices and higher Slice volume for the quarter. The Q2 rating is green because actual net activity is better than original budget. The 2022 outlook is green because net secondary market activity is forecasted to be better than the original budget. Net secondary market activity is projected to be a net sales value of nearly \$18.1M, which is \$14.8M better than the original budget of \$3.3M.



Responsible Manager: Chris Johnson  
 Data Provider: Paul Durham

Report Date: 8/9/2022

## Net Secondary Market Activity Influencing Factors





2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**

**Conservation Plan 2022-2023 Biennial Actuals/Target**

**Definition**

The District will monitor quarterly conservation and compliance with the Energy Independence Act (EIA) target of 1.52 aMW which was established through the Conservation Potential Assessment and presented to the Commission on October 26, 2021.

**How Performance Measure is Computed**

Status is determined by the two target levels in the chart below. Above the EIA Target is green, between the EIA Target and Carryover level is yellow, below the Carryover level is red. Quarterly status is calculated by prorating all current conservation to a 24 month period and adding it to NEEA savings. (Note: Although NEEA savings are not received until April-May for the previous year, an estimate of 75% is used in the chart until actuals are received). Projected savings are based on Energy Programs budget estimates divided into monthly allocations for all sectors except Industrial. Projections from the Industrial sector are based on pending projects reported to the District by the ESI program.

**Goal**

Ensure the District is on track to meet the 2022-23 conservation biennial target. Green Outlook rating is the "Savings Projection" meeting or exceeding the EIA target. Yellow rating is below the EIA target but above the Carryover target. Red rating is below the Carryover target.

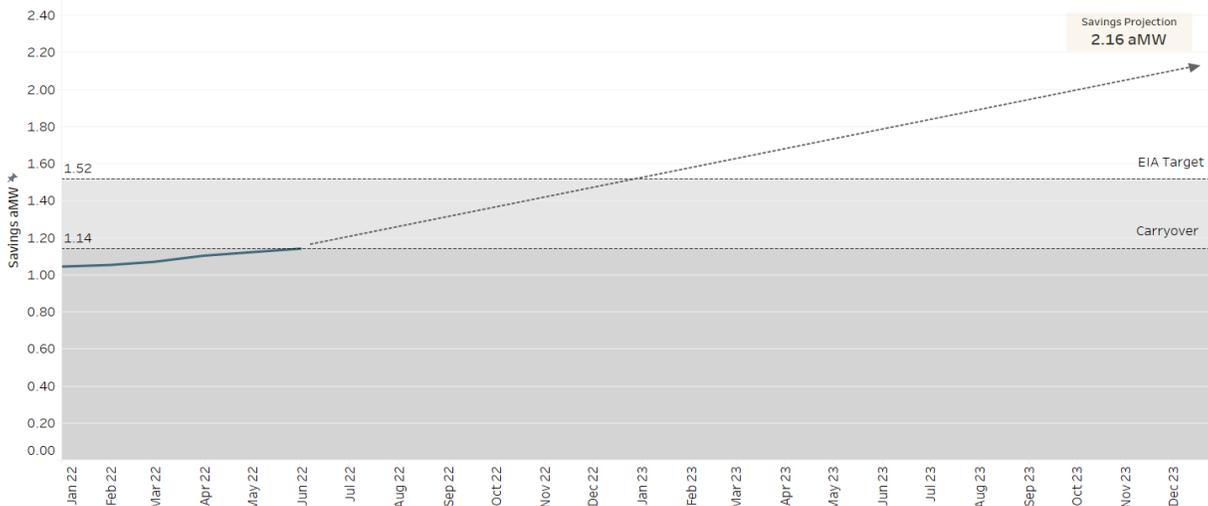
	Q1		Q2		Q3		Q4	
	Proj	Actual	Proj	Actual	Proj	Actual	Proj	Actual
<b>2022</b>								
Residential	0.034	0.023	0.034	0.021	0.034		0.034	
Commercial	0.046	0.006	0.046	0.036	0.046		0.046	
Industrial	0.000	0.000	0.099	0.011	0.307		0.002	
Agricultural	0.024	0.000	0.024	0.000	0.024		0.024	
U.S.E.	0	0.000	0	0.004	0		0	
<b>2023</b>								
Residential	0.034		0.034		0.034		0.034	
Commercial	0.031		0.031		0.031		0.031	
Industrial	0.020		0.011		0.069		0.015	
Agricultural	0.004		0.004		0.004		0.004	
U.S.E.	0.028		0.028		0.028		0.028	
<b>NEEA*</b>		1.041						

Total	
Proj	Actual
0.203	0.04
0.218	0.04
0.425	0.01
0.063	0.00
0.110	0.00

\*Based on 75% estimate for biennium

**Quarterly Performance Summary**

The second quarter continued slowly for conservation and savings lagged projections in all sectors (except U.S.E.). Commercial activity was higher than Q1 but still about 75% of projections. Residential was almost the same and is at about 2/3 of projections for the year. Industrial yielded its first projects of 2022 but is only about 10% of original estimates, while Q3 projections are the highest of the biennium for this sector. Despite these low numbers, the District is currently above its Carryover threshold for the biennium based on NEEA estimates and approximately \$900,000.00 of commercial/industrial/ag projects in the hopper and is therefore rated as green in the annual Outlook.



- Starting savings includes 75% NEEA estimate (0.94 aMW) which will update to actual amount when received.  
 - Projected savings based on monthly budget estimates for all sectors except Industrial, which uses ESI pending projects.

Responsible Manager: Chris Johnson

Data Provider: Terry Mapes

Report Date: 7/25/2022



**Performance Measure Title**

**Broadband Network Reliability Report**

All Green =	<span style="color: green;">█</span>
Any Yellow =	<span style="color: yellow;">█</span>
Any Red =	<span style="color: red;">█</span>

2022 Status			
Q1	Q2	Q3	Q4
<b>Outlook</b>			

**Definition**

This report reflects Benton’s network performance, identified by two (2) primary categories and two (2) subcategories.

3 - 9s	4 - 9s	5 - 9s
99.9 =G	99.99 =G	99.999 =G
99.85 =Y	99.985 =Y	99.9985 =Y
99 =R	99.9 =R	99.99 =R

**Primary categories**  
 Core - Backbone Network  
 Distribution - Tail circuit and Customer Fiber

**Subcategories**  
 Dark Fiber - Non-lit services  
 Wireless Carrier - Services provided to Wireless Carriers ( T-Mobile, US Cellular, AT&T, Sprint and Verizon )

The District's Broadband network consists of these four (4) segments and each of these segments will be measured independently as a part of the total network reliability. The measure of value and performance of a network is determined by the reliability of the network and at the extent to which it can maintain an adequate level of "up" time and service to the end users. The measurements and tracking process will allow the Broadband technical and management staff to determine the level of service and value of the network to the Retail Service Providers and the end users they serve. The results of the measurements will be part of the rate setting structure, level of service guarantees provided to RSPs and performance of staff.

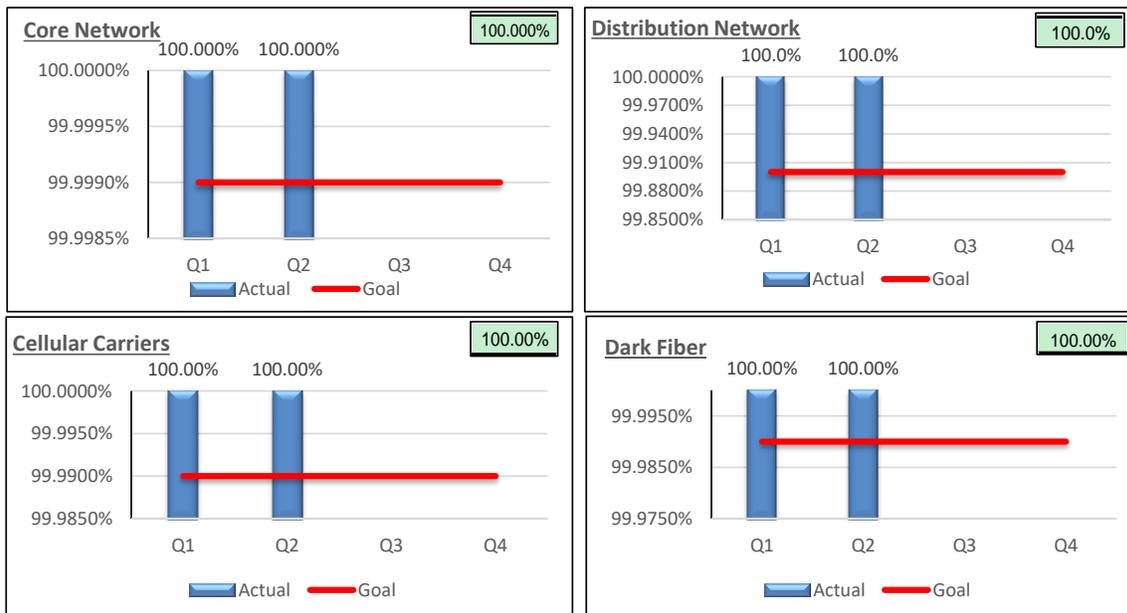
**Performance Objectives**

Target performance for Core network is 5-9's, Distribution at 3-9's, Cellular Carriers at 4-9's & Dark Fiber at 4-9's.

	Core Network		Distribution Network		Cellular Carriers		Dark Fiber	
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Q1	99.999%	100.000%	99.9%	100.0%	99.99%	100.00%	99.99%	100.00%
Q2	99.999%	100.000%	99.9%	100.0%	99.99%	100.00%	99.99%	100.00%
Q3	99.999%		99.9%		99.99%		99.99%	
Q4	99.999%		99.9%		99.99%		99.99%	

**Quarterly Performance Summary**

The Performance Measure is rated green for the 2nd Quarter. On April 7th, three circuits were reported down by a customer after a service impacting maintenance was performed the night before. After investigating the issue, the engineer responsible for the maintenance identified a configuration issue and corrected it which restored the affected services.



Responsible Manager: Chris Folta  
 Data Provider: Adrian Mata

Report Date: 7/20/2022



2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**  
**Electric Reliability**

**Definitions**

**SAIFI - System average interruption frequency index**

Indicates how often the average customer experiences a sustained (greater than or equal to 5 minutes) interruption.

$$SAIFI = \frac{\Sigma \text{ Number of Customer Interruptions}}{\text{Number of Customers Served}}$$

**SAIDI - System average interruption duration index**

Indicates the total duration of interruption for the average customer during a predefined period of time.

$$SAIDI = \frac{\Sigma \text{ Customer Interruption Duration}}{\text{Number of Customers Served}}$$

**CAIDI - Customer average interruption duration index**

Indicates the average time required to restore service.

$$CAIDI = \frac{\Sigma \text{ Customer Interruption Duration}}{\Sigma \text{ Number of Customer Interruptions}} = \frac{SAIDI}{SAIFI}$$

**Major Event Day** - A day in which the daily system SAIDI exceeds a Major Event Day threshold value (TMED). Statistically, days exceeding the TMED threshold are days on which the energy delivery system experiences stresses significantly beyond those that are typically expected.

**How Performance Measure is Computed**

Interruption information is logged into the District's Outage Management System (OMS), either automatically from the District's SCADA system or manually. Tableau is used to calculate and report statistics for interruptions lasting longer than five minutes, excluding planned outages and customer problems. Charts are presented that include and exclude Major Event Days (MEDs). The quarterly rating is determined using the SAIFI, SAIDI, and CAIDI from the calculations that exclude MEDs as these values are indicative of the District's long running average.

**Goal**

Compare recent 12-month performance to a goal equal to a four year (2005-2008) historical average. The performance rating will be "green" if the index is up to 20% above the goal, "yellow" if between 20% and 40% above and "red" if greater than 40% above the goal.

**Quarterly Performance Summary**

Time Period: 12-month time period from July 2021 to June 2022.

	MEDs Included	MEDs Excluded	Goal	Rating
SAIFI	0.60	0.38	0.5	Green
SAIDI	65.2	55.2	60	Green
CAIDI	109.4	145.2	120	Yellow

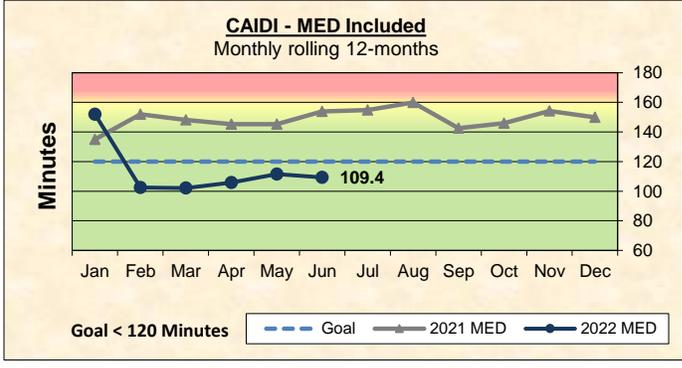
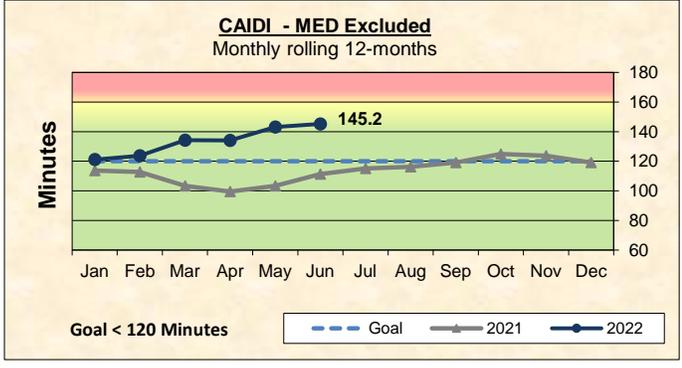
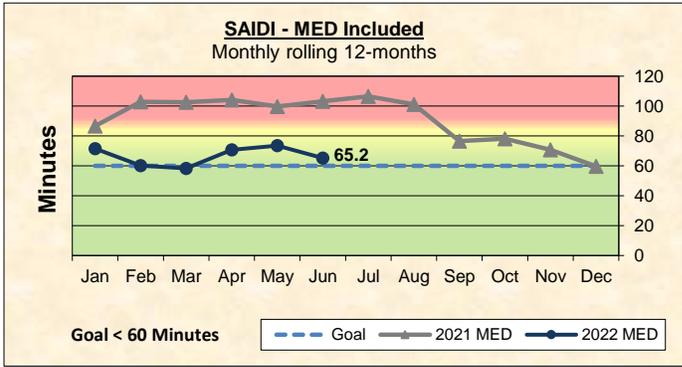
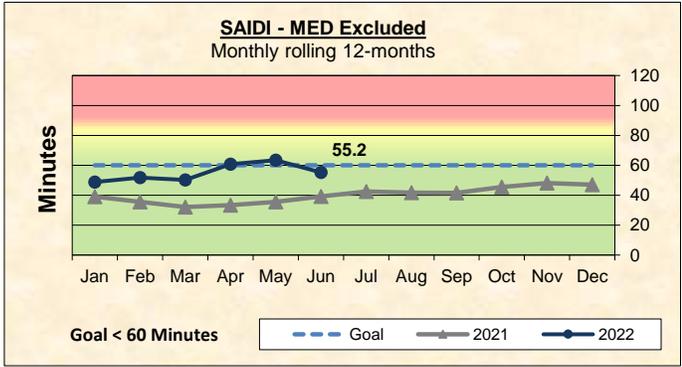
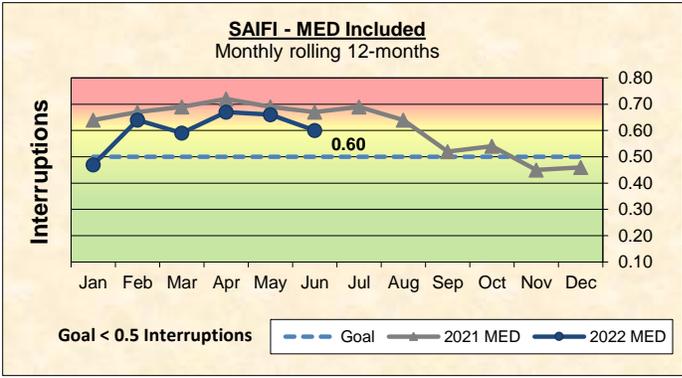
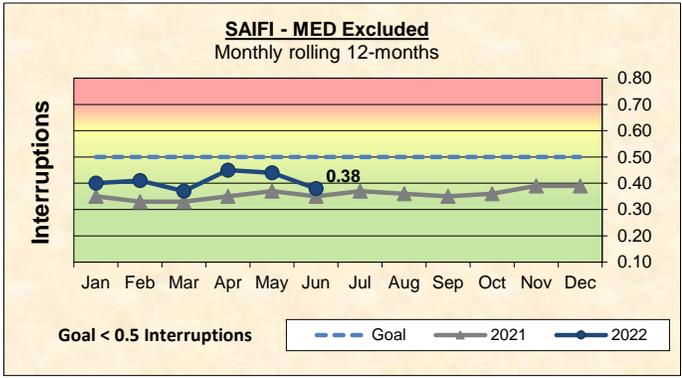
Over the 12-month time period from July 2021 to June 2022, **SAIFI of 0.38** interruptions is less than the goal of 0.5, resulting in a green rating. **SAIDI of 55.2** minutes is less than the goal of 60, resulting in a green rating. **CAIDI of 145.2** minutes is greater than 120% of the goal of 120, but less than 140% of the goal, resulting in a yellow rating.

SAIFI and SAIDI both saw increases during April and May and a decrease during June during the quarter. While both SAIFI and SAIDI are under their goals, the continued upward trend of CAIDI into the yellow region indicates the average outage restoration time is increasing even as the number of outages remains generally flat across the 12 month window.

This results in Q2 being given a yellow rating. However changes have been implemented to the after hours callout protocol that should result in reduced response times in future quarters resulting in a green outlook for the year.

Responsible Manager: Evan Edwards  
 Data Provider: Dax Berven

Report Date: 7/20/2022



Responsible Manager: Evan Edwards  
 Data Provider: Dax Berven

Report Date: 7/20/2022



2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Performance Measure Title**  
**Electric System Outages**

**Definitions**

**Outage** - Interruption of electrical service, for greater than or equal to 5 minutes, to one or more customers, excluding planned outages.

**Cause** - The reason the outage occurred.

**Region** - The geographic zone, as defined by the District's Geographical Information System, where the outage occurred.

**Customer** - A metered electrical service point for which an active bill account is established at a specific location.

**Customer Minutes Out** - The number of customers interrupted in an outage multiplied by the duration of the outage in minutes.

**MED** - Major Event Day

**How Performance Measure is Computed**

Outage information is logged into the District's Outage Management System (OMS). Every outage that occurs has an associated cause, region, number of customers affected and the number of customer minutes out. The outage data is queried from the OMS database using reporting tools and entered into a spreadsheet for summation and graphing purposes. The data is reported for a rolling 12-month time period, which removes any seasonal variation when looking for trends. This data is similar to the data used for calculating the quarterly performance measure titled "Reliability Indices". The reliability indices are useful as a performance indicator and for benchmarking purposes, but they do not provide the detail required to fully understand what factors are influencing reliability.

**Goal**

To identify electric system outage trends by cause and region over a 12-month time period. Trends in the negative direction will result in a yellow rating; otherwise a green rating will apply. No red ratings will be used.

**Quarterly Performance Summary**

Rolling 12 Months Reported Quarterly (No MED)					
Outage Statistics	2021-Q2	2021-Q3	2021-Q4	2022-Q1	2022-Q2
Outage Count	543	542	546	546	532
Customers Out	18,797	17,988	21,538	20,524	21,982
Customer Minutes Out	1,983,517	2,077,550	2,385,044	2,578,715	3,048,879

Rolling 12 Months Reported Quarterly (MED)					
Outage Statistics	2021-Q2	2021-Q3	2021-Q4	2022-Q1	2022-Q2
Outage Count	617	569	571	547	533
Customers Out	34,150	26,060	24,580	34,341	32,940
Customer Minutes Out	4,283,791	2,719,570	2,621,609	3,134,999	3,605,163

**Overall Summary:** For the non-MED data, outage counts have decreased over the past 12 month window. Customers out has shown a slight increase in the past 12 month window but has been up and down the last 3 quarters. Customer minutes out has shown an increase in the past 12 month window but nearly all of that can be attributed to the BPA Grandview - Red Mountain outage in April.

With MED data included the effects of the BPA Angus-Franklin transmission line outage in March 2022 is evident.

Outages by Cause	2021-Q2	2021-Q3	2021-Q4	2022-Q1	2022-Q2
Equipment	231	236	261	280	259
Animals	89	91	82	82	78
Weather	42	42	30	16	20
Foreign Interference	77	81	86	87	99
Vegetation	46	32	38	36	41
Undetermined	58	60	49	45	35
<b>Total</b>	<b>543</b>	<b>542</b>	<b>546</b>	<b>546</b>	<b>532</b>

Outages by Cause	2021-Q2	2021-Q3	2021-Q4	2022-Q1	2022-Q2
Equipment	237	238	263	280	259
Animals	96	92	83	82	78
Weather	60	45	33	16	20
Foreign Interference	84	81	86	88	100
Vegetation	79	50	56	36	41
Undetermined	61	63	50	45	35
<b>Total</b>	<b>617</b>	<b>569</b>	<b>571</b>	<b>547</b>	<b>533</b>

**Cause Summary:** For the non-MED data outages caused by equipment and animals have decreased. Outages caused by weather, foreign interference, and vegetation have increased. Outages caused due to undetermined events continued to decrease this quarter, but have not developed a trend yet.

With MED data included the only increase is the single foreign interference outage associated with the BPA Angus-Franklin transmission line outage.

Outages by Region	2021-Q2	2021-Q3	2021-Q4	2022-Q1	2022-Q2
East Kennewick	220	220	197	199	200
West Kennewick	148	146	172	190	179
Benton City & Prosser	135	143	144	123	122
River & Hanford	40	33	33	34	31
<b>Total</b>	<b>543</b>	<b>542</b>	<b>546</b>	<b>546</b>	<b>532</b>

Outages by Region	2021-Q2	2021-Q3	2021-Q4	2022-Q1	2022-Q2
East Kennewick	248	235	212	199	200
West Kennewick	155	153	179	191	180
Benton City & Prosser	164	146	145	123	122
River & Hanford	50	35	35	34	31
<b>Total</b>	<b>617</b>	<b>569</b>	<b>571</b>	<b>547</b>	<b>533</b>

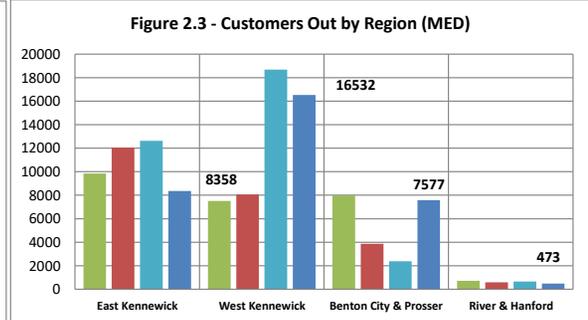
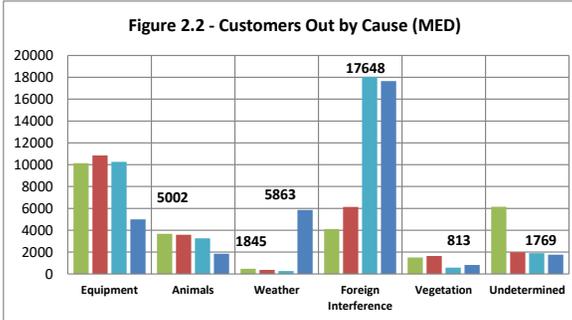
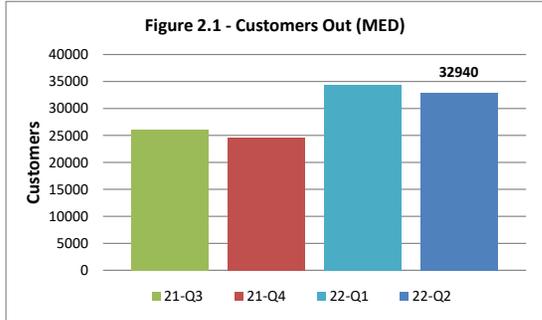
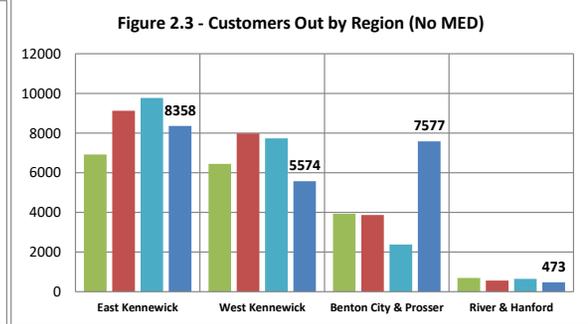
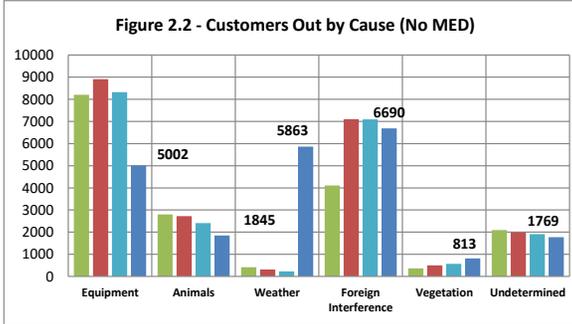
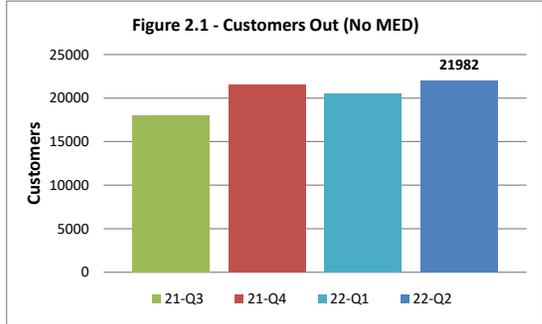
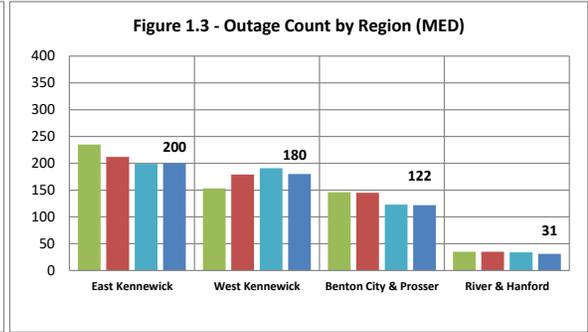
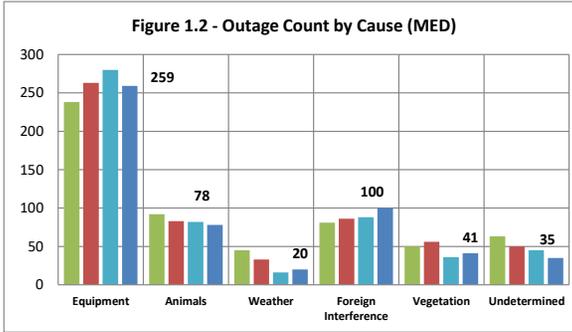
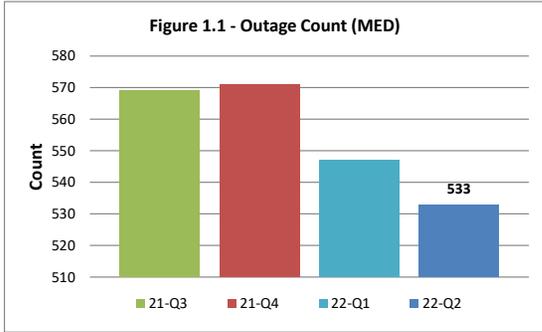
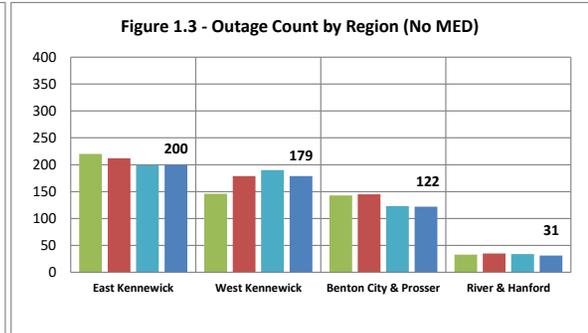
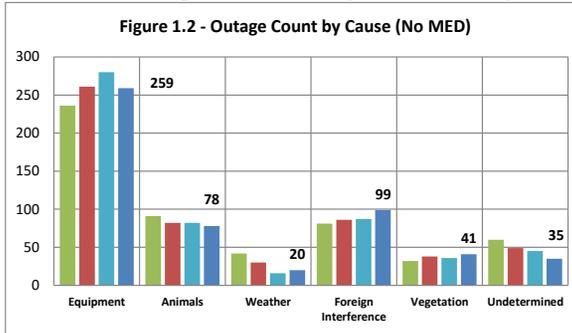
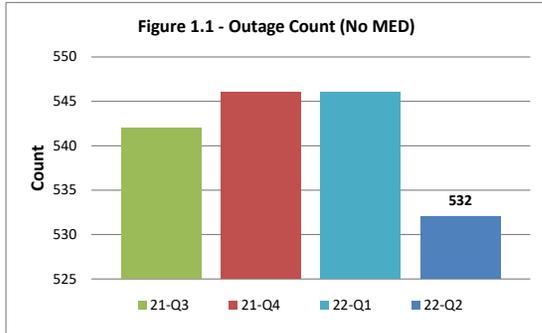
**Region Summary:** Across the non-MED data East Kennewick was flat on outage counts, saw a decrease in customers out, and an increase in customer minutes out. West Kennewick saw a decrease in outages, customers out, and customer minutes out. Benton City & Prosser was flat on outage counts, and saw an increase in customers out and customer minutes out. The River & Hanford area saw a decrease on outage counts, customers out, and customer minutes out.

When MED data is included the impact is centered in West Kennewick.

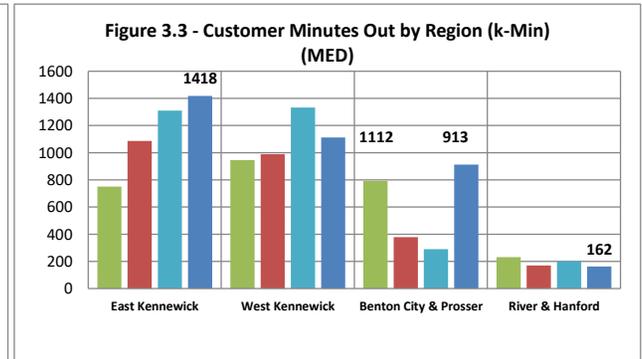
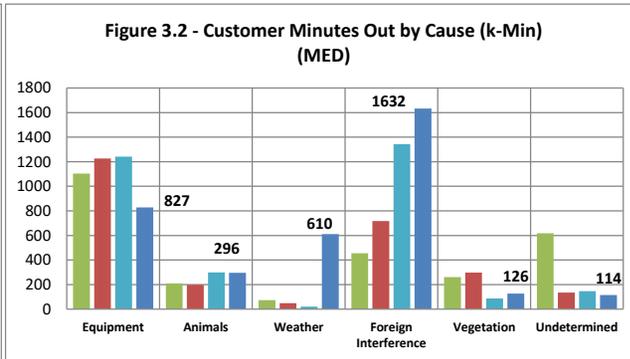
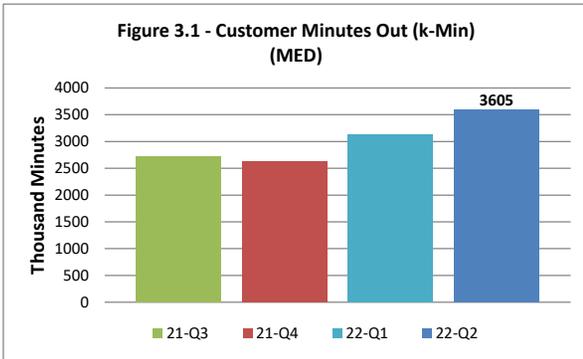
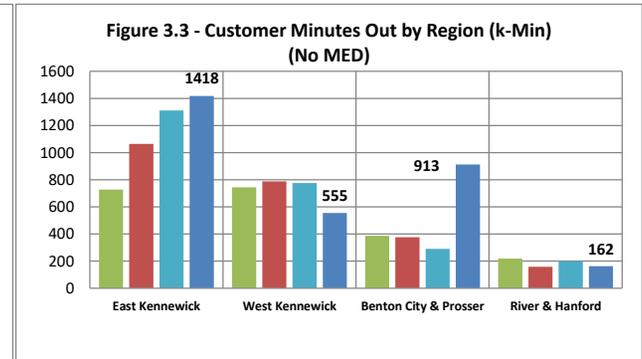
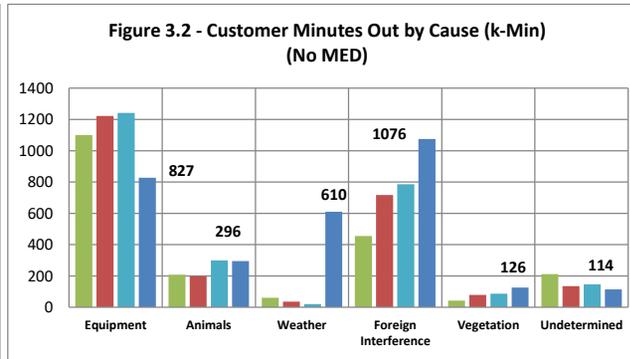
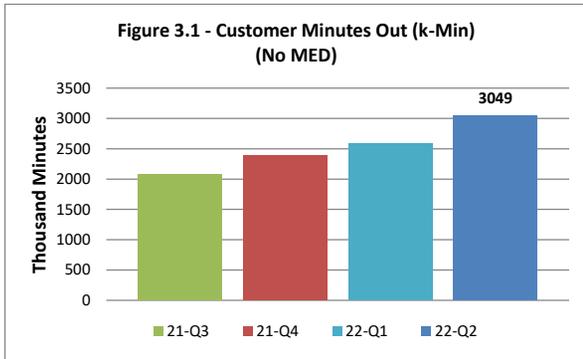
Responsible Manager: Evan Edwards  
 Data Provider: Dax Berven

Report Date: 7/20/2022 \_\_\_\_\_

## Outage Data Rolling 12-Months, Reported Quarterly



## Outage Data Rolling 12-Months, Reported Quarterly



7/20/2022 DAB



**Performance Measure Title**  
**Enterprise Application Reliability**

1 Y or All G =	
2 Y or 1 R =	
2 R =	

2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Definition**

Measures the reliability of seven enterprise software applications: HPRM (document management system), iVUE (customer information system, financials and payroll, outage management system, document vault, and work scheduling), Epicor HCM (human resources management system), GIS (mapping system), SCADA (electrical system monitoring and operations system) and AMI (automated metering system). We will also measure the reliability of the databases that support these applications, along with cloud applications critical to the functions of the District. The measure of value and performance of software applications is determined by the reliability and maintaining an adequate level of "up" time and service to the end users. The measurements will allow management staff to determine the level of service and value of each application to the end users they serve.

*\*note for the applications to be considered available, all parts must be available as defined by each system owner*

24x7 Applications*		
	Downtime	Rating
>99.99	0-13 mins	Green
99.96-99.98	14-25 mins	Yellow
<=99.95	> 26 mins	Red

\*iVUE, GIS, SCADA, Databases

Business Hour Applications*		
	Downtime	Rating
>99.99	0-6 mins	Green
99.96-99.98	10-37 mins	Yellow
<=99.95	> 37 mins	Red

\*TRIM, HRMS

Cloud Applications *		
	Downtime	Rating
>99.90	0-131 mins	Green
99.85-99.89	132 - 199 mins	Yellow
<=99.84	> 199 mins	Red

\*AMI, Kiosk, SmartHub, MDMS, Payment Gateway, AppSuite

**How Performance Measure is Computed**

Target performance for each application has been defined by the respective System Owner and is indicated in the "Goal" columns below. For HPRM and HRMS, the performance is based on Business Hours and iVUE, GIS, SCADA, AMI, cloud applications and the databases are based on 24x7 availability. Each system has a Scheduled Maintenance Window for allowed after hours maintenance that will be excluded from the measurements.

**Goal**

Maintain an adequate level of "up" time and service to end users.

**Quarterly Performance Summary**

This performance measure is rated green for second quarter with no applications experiencing any unplanned downtime. The AMI application was upgraded during the quarter by Sensus. The outlook for this performance measure is yellow due to significant application degradation early in the third quarter.

System	Goal	Q1	Q2	Q3	Q4
HPRM	99.99%	100.00%	100.00%		
iVUE	99.99%	100.00%	100.00%		
GIS	99.99%	100.00%	100.00%		
SCADA	99.99%	99.99%	100.00%		
Databases	99.99%	100.00%	100.00%		
AMI	99.90%	99.99%	100.00%		
iVUE Cloud Applications	99.90%	100.00%	100.00%		

Responsible Manager: Jennifer Holbrook  
 Data Provider: Jennifer Holbrook Report Date: 6/30/2022



**Performance Measure Title**  
**Infrastructure Component Reliability**

1 Y or All G =	
2 Y or 1 R =	
2 R =	

2022 Status			
Q1	Q2	Q3	Q4
Outlook			

**Definition**

Measures the reliability of eight key Infrastructure components: Network (Core business computer network), NoaNet Service (Outside Internet provider), Kennewick-Prosser communications link, TEA/SCADA Network (The Energy Authority and SCADA communications), SAN (Storage Area Network), VDI (Virtual Desktop Infrastructure), Phones (Phone System), and Exchange (Email System). The measure of value and performance of infrastructure components is determined by the reliability and maintaining an adequate level of "up" time and service to the end users. The measurements will allow management staff to determine the level of service and value of each application to the end users they serve. Below is a chart to explain the thresholds in minutes of unplanned downtime.

24x7 w/99.9% uptime		
	Downtime	Rating
>99.90	0-131 mins	Green
99.85-99.98	132-199 mins	Yellow
<=99.84	>199 mins	Red
*Network, NoaNet, TEA-SCADA		

24x7 w/99.95 uptime		
	Downtime	Rating
>99.95	0-65 mins	Green
99.95-99.9	65-129 mins	Yellow
<99.9	>= 130 mins	Red
*Phones		

24x7 w/99.99 uptime		
	Downtime	Rating
>99.99	0-13 mins	Green
99.96-99.98	14-25 mins	Yellow
<=99.95	> 26 mins	Red
*Kenn-Pross, SAN, VDI, Exch		

**How Performance Measure is Computed**

Target performance for each component has been defined by the respective System Owner and is indicated in the "Goal" column below. All components are based on 24x7 availability.

**Goal**

Maintain an adequate level of "up" time and service to end users.

**Quarterly Performance Summary**

The enterprise Infrastructure performance measure was rated green for the 2nd Quarter. A network issue caused the Prosser VDI infrastructure to lose communication with Kennewick for 5 minutes.

System	Goal	Q1	Q2	Q3	Q4
Network	99.90%	100.00%	100.00%		
NoaNet Service	99.90%	100.00%	100.00%		
TEA-SCADA Net	99.90%	100.00%	100.00%		
Phones	99.95%	100.00%	100.00%		
Kenn to Pros Link	99.99%	100.00%	100.00%		
VDI	99.99%	100.00%	99.99%		
SAN	99.99%	100.00%	100.00%		
Exchange	99.99%	100.00%	100.00%		

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Responsible Manager:	_____ Duane Crum _____	Report Date:	_____ 7/20/2022 _____
Data Provider:	_____ Duane Crum _____		



# Appendix A

## Using XmR Charts for Performance Measurement

**Introduction** - This reference was created to support the District’s performance measures that utilize XmR charts (a.k.a. process behavior charts). The District’s use of XmR charts is intended to be consistent with the recommendations of Stacey Barr, author of the Measure Up Blog.<sup>1</sup> The basic features of XmR charts are explained, but to learn more, readers should refer to the footnotes for Stacey’s blog articles. If the footnote hyperlinks are not available to the reader, the articles may be found by accessing the blog website and then using the keyword search tool.

**Why use an XmR chart?** - To bring focus to the “signals” of performance rather than the “noise” of normal variation.<sup>2</sup> It is an alternative that addresses the limitations of other analysis methods.<sup>3,4</sup>

**What is an XmR chart?** - An XmR chart identifies signals of a change in performance by monitoring a measure in the context of its baseline level of performance (Central Line) and its normal variation (Upper and Lower Natural Process Limits).<sup>5</sup> The chart below represents the “X” portion of an XmR chart.<sup>6</sup>



**What are the signals on an XmR chart?**<sup>7</sup>



**3 types of signals:**

- A. Outlier** - A point outside of the Natural Process Limits.
- B. Short Run** - At least 3 out of 4 consecutive points closer to the same Natural Process Limit than to the Central Line.
- C. Long Run** - At least 8 consecutive points all on the same side of the Central Line.

**How to set targets on an XmR chart?** - Refer to these blog articles.<sup>8,9</sup>

<sup>1</sup> <https://www.staceybarr.com/measure-up/>

<sup>2</sup> [Why Statistical Thinking is ESSENTIAL to Great KPIs](#)

<sup>3</sup> [5 Analysis Methods That Make Us Misinterpret KPIs](#)

<sup>4</sup> [Why KPI Thresholds Are a Really Bad Idea](#)

<sup>5</sup> [Three Things You Need On Every KPI Graph](#)

<sup>6</sup> [How to Build an XmR Chart for Your KPI](#)

<sup>7</sup> [3 Essential Signals to Look for in Your KPIs](#)

<sup>8</sup> [Three Types of Useful KPI Targets](#)

<sup>9</sup> [Principles to Design a PuMP Performance Dashboard](#)



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**COMMISSION MEETING AGENDA ITEM**

Subject:	Dissolving the Benton County PUD Rural Economic Development Revolving Fund	
Agenda Item No:	6h	
Meeting Date:	August 9, 2022	
Presented by:	Jon Meyer	<i>Staff Presenting Item</i>
Approved by (dept):	Jon Meyer	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

**Motion for Commission Consideration:**

Motion to adopt Resolution 2610 dissolving the Benton County PUD Rural Economic Development Revolving Fund.

**Recommendation/Background:**

On October 28, 2008, the Commission approved Resolution No. 2009 that created the Benton PUD Rural Economic Development Revolving Fund in accordance with RCW 82.16.0491, subject to all rules, regulations, and laws applicable thereto. Resolution No. 2009 also authorized the General Manager to execute an Agreement with the Benton-Franklin Council of Governments (BFCOG) to oversee and direct the activities of the Rural Economic Development Revolving Fund, as allowed by and in compliance with RCW 82.16.0491.

RCW 82.16.0491 stipulates the economic development revolving fund be used for qualifying projects, defined as a project designed to achieve job creation or business retention, to add or upgrade nonelectrical infrastructure, to add or upgrade health and safety facilities, to accomplish energy and water use efficiency improvements, including renewable energy development, or to add or upgrade emergency services in any designated qualifying rural area. The District deposited a total of \$100,000 in the Rural Economic Development Revolving Fund (\$50,000 in 2008 and \$50,000 in 2009) and received a \$50,000 tax credit (\$25,000 in fiscal year 2009 and \$25,000 in fiscal year 2010). Between 2009 and 2013, BFCOG issued seven loans totaling \$176,064 from the Rural Economic Development Revolving Fund. Out of the seven loans, only one loan defaulted. The final loan was paid off in April 2021 and no new loans have been issued since December 2013 despite marketing and advertising efforts done by BFCOG.

On May 24, 2022, the Executive Director of BFCOG provided an update to the Commission and briefly mentioned that BFCOG will be reviewing their revolving loan fund programs and the

ongoing viability of the programs under BFCOG administration. The Commission requested District staff to review the Rural Economic Development Revolving Fund that is administered by BFCOG to see if there is a better use for the money. On June 17, 2022, the BFCOG Board approved Resolution 04-22 that authorized the phase out and termination of the BFCOG revolving loan fund programs. This means BFCOG will no longer oversee and direct activities of the Rural Economic Development Revolving Fund for the District.

Staff researched how the Rural Economic Development Fund was established, the different types of qualifying projects, what other utilities have done, how to dissolve the fund, and what happens to the money when the fund is dissolved. RCW 82.16.0491(6) states “If at any time the electric utility rural economic development revolving fund is dissolved, any moneys claimed as a tax credit under this section shall either be granted to a qualifying project or refunded to the state within two years of termination.” This means the \$50,000 tax credit the District received needs to be granted to qualifying projects or be returned to the state within two years. The current balance of the Rural Economic Development Revolving Fund is \$97,161.79.

**Summary:**

Staff recommends dissolving the fund due to lack of utilization and granting \$50,000 the District claimed as a tax credit to the Kennewick Housing Authority for low income conservation projects as allowed by RCW 82.16.0491.

**Fiscal Impact:**

Of the current balance of \$97,161.79, \$50,000 will be granted to qualifying projects within two years of the Rural Economic Development Revolving Fund being dissolved and the remaining balance (\$47,161.79) will be returned to the District’s General Fund. From an accounting perspective, the tax credits were recorded as a reduction to expense when received with the expectation that if the fund were ever dissolved an expense would be recorded at that time for any amounts granted. Likewise, as the funds are granted, they will be recorded as a conservation expense. Staff will work with the Kennewick Housing Authority to set a timeline for the projects and will evaluate what, if any, budget amendments will be needed once that is done.

RESOLUTION NO. 2610

August 9, 2022

**A RESOLUTION DISSOLVING THE BENTON COUNTY PUD RURAL ECONOMIC DEVELOPMENT  
REVOLVING FUND**

WHEREAS, on October 28, 2008, the District created the Benton PUD Rural Economic Development Revolving Fund in accordance with RCW 82.16.0491, subject to all rules, regulations, and laws applicable thereto via Resolution No. 2009; and

WHEREAS, Resolution No. 2009 also authorized the General Manager to execute an Agreement with the Benton-Franklin Council of Governments (BFCOG) to oversee and direct the activities of the Rural Economic Development Revolving Fund, as allowed by and in compliance with RCW 82.16.0491; and

WHEREAS, RCW 82.16.0491 stipulates the economic development revolving fund be used for qualifying projects, defined as a project designed to achieve job creation or business retention, to add or upgrade nonelectrical infrastructure, to add or upgrade health and safety facilities, to accomplish energy and water use efficiency improvements, including renewable energy development, or to add or upgrade emergency services in any designated qualifying rural area; and

WHEREAS, the District deposited a total of \$100,000 in the Rural Economic Development Revolving Fund (\$50,000 in 2008 and \$50,000 in 2009) and received a total of \$50,000 tax credit (\$25,000 in fiscal year 2009 and \$25,000 in fiscal year 2010); and

WHEREAS, between 2009 and 2013, BFCOG issued seven loans totaling \$176,064 from the Rural Economic Development Revolving Fund. Out of the seven loans, only one loan defaulted; and

WHEREAS, the final loan was paid off in April 2021 and no new loans have been issued since December 2013 despite marketing and advertising efforts done by BFCOG; and

WHEREAS, on May 24, 2022, the Executive Director of BFCOG provided an update to the Commission and briefly mentioned that BFCOG will be reviewing their revolving loan fund programs and the ongoing viability of the programs under BFCOG administration. The Commission requested District staff review the Benton PUD Rural Economic Development Revolving Fund that is administered by BFCOG; and

WHEREAS, on June 17, 2022, the BFCOG Board approved Resolution 04-22 that authorized the phase out and termination of the BFCOG revolving loan fund programs; and

WHEREAS, Staff researched how the Rural Economic Development Fund was established, the different types of qualifying projects, what other utilities have done, how to dissolve the fund, and what happens to the money when the fund is dissolved; and

WHEREAS, RCW 82.16.0491(6) states “If at any time the electric utility rural economic development revolving fund is dissolved, any moneys claimed as a tax credit under this section shall either be granted to a qualifying project or refunded to the state within two years of termination.”; and

WHEREAS, the current balance of the Rural Economic Development Revolving Fund is \$97,161.79 and staff recommends dissolving the fund due to lack of utilization and granting the \$50,000 the District claimed as a tax credit to the Kennewick Housing Authority for low income conservation projects as allowed by RCW 82.16.0491; and

WHEREAS, staff shared this recommendation with the Commission in July 2022.

NOW, THEREFORE, BE IT RESOLVED the Commission hereby dissolves the Benton County PUD Rural Economic Development Revolving Fund.

FURTHER BE IT RESOLVED that the Commission directs the General Manager or Treasurer to take the necessary steps and actions in order to dissolve or close out the Rural Economic Development Revolving Fund.

FURTHER BE IT RESOLVED that the Commission directs the General Manager or Director of Power Management to administer any moneys the District claimed as a tax credit under RCW 82.16.0491 as a grant to the Kennewick Housing Authority for low income conservation as allowed by RCW 82.16.0491 or refunded to the state within two years of the date of this resolution.

ADOPTED by the Commission of Public Utility District No. 1 of Benton County at an open meeting, with notice of such meeting being given as required by law, this 9<sup>th</sup> day of August 2022.

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Lori Kays-Sanders, President

ATTEST:

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Jeffrey D. Hall, Secretary



X	<i>Business Agenda</i>
	<i>Second Reading</i>
	<i>Consent Agenda</i>
	<i>Info Only/Possible Action</i>
	<i>Info Only</i>

**COMMISSION MEETING AGENDA ITEM**

Subject:	Contract Award Recommendation for Contract #22-21-209 – Electrical Consultants, Inc.	
Agenda Item No:	8a	
Meeting Date:	August 9, 2022	
Presented by:	Evan Edwards	<i>Staff Presenting Item</i>
Approved by (dept):	Stephen Hunter	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

**Motion for Commission Consideration**

Motion authorizing the General Manager on behalf of the District to sign a contract with Electrical Consultants, Inc., Contract #22-21-209, to Turn-key design of the Sunset to Dallas Road Transmission Line Design not to exceed \$269,950.00.

**Background**

Benton PUD, as part of the transmission reliability improvement projects (TRIP) has had plans to create a loop between the Districts Sunset Road Substation Transmission Tap and the City of Richlands Dallas Road transmission tap.

ECI will provide all design, engineering, surveying, and permit/easement/environmental service for this project.

**Summary**

Issuing this contract to ECI will ensure the district can meet its goal of a 21<sup>st</sup> century power grid and be prepared for future construction by BPA.

**Fiscal Impact**

These professional services will require a 2022 budget amendment.



**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY  
AGREEMENT FOR PROFESSIONAL SERVICES**

**Transmission Construction Design, Transmission Analysis and Consulting Services**

I. **PARTIES**

This Agreement is entered into by and between **Public Utility District No. 1 of Benton County** with its principal place of business located at 2721 W. 10th Avenue, Kennewick, Washington, hereinafter referred to as the "*District*" and Electrical Consultants, Inc. (ECI) with offices and its principal place of business located at 5000 Meadows Rd. Ste. 240, Lake Oswego, Oregon, hereinafter referred to as the "*Consultant*".

II. **STATEMENT OF WORK**

as described in Appendix A.

III. **COMPENSATION**

The *Consultant* will be paid within a period of thirty (30) days after receipt of invoice and in accordance with Appendix B - Schedule of Payments, attached hereto.

The maximum amount payable by the *District* to the *Consultant* under this Agreement shall not exceed \$269,950.00.

IV. **TERM OF AGREEMENT**

This Agreement shall commence on August 9, 2022 through December 31, 2023.

V. **DOCUMENTS INCORPORATED**

The following documents are, by this reference, incorporated into and made a part of this 25, Agreement for Consulting Services. Also incorporated by this reference are General Terms and Conditions described on Sheets 3, 4, and 5.

- Appendix A - Statement of Work*
- Appendix B - Schedule of Payments*
- Appendix C - Special Conditions (if applicable)*
- Appendix D – Reimbursement of Expenses*
- Appendix E – Confidentiality and Nondisclosure Agreement*
- Appendix F – Data Clause*

VI. **ADMINISTRATION**



The District's Contracting Officer for this work is Michelle Ochweri. The District's Technical Representative for this work is Evan Edwards.

VII. **BOUND PARTIES**

This Agreement shall be binding upon the parties hereto and their representatives, heirs, executors, successors and assigns.

VIII. **EXECUTION**

The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56. The vendor expressly acknowledges and agrees that its proposal and any information vendor submits with its proposal or which vendor submits to the District in its performance of any contract with the District is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose vendor's proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

The District must comply with the Preservation and Destruction of Public Records RCW 40.14. The vendor expressly acknowledges and agrees that it will maintain all records and documentation related to the contract in accordance with its obligations under applicable law.

In the event that the District receives a request pursuant to the Washington Public Records Act, or other legal process requesting or mandating disclosure of any information or documents submitted to the District by vendor, the District's sole obligation shall be to notify the vendor promptly, so that the vendor at vendor's expense and cost, may seek court protection of any of the requested information vendor deems confidential.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement.

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

**ELECTRICAL CONSULTANTS INC.**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT:       Rick Dunn      

PRINT: \_\_\_\_\_

TITLE:       General Manager      

TITLE: \_\_\_\_\_

DATE:       08/09/2022      

DATE: \_\_\_\_\_



**GENERAL TERMS AND CONDITIONS**  
**Benton PUD Agreement for Professional Services**

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**1. DEFINITIONS**

*A. District*

"*District*" shall mean Public Utility District No. 1 of Benton County, a municipal Corporation of the State of Washington.

*B. Consultant*

"*Consultant*" shall mean the person, firm, partnership or corporation who has executed this Agreement.

*C. Subcontractor*

A person, firm, partnership, or corporation having a contract with *Consultant* or with a Subcontractor to any tier of *Consultant* for the performance of any part of the work.

**2. AGREEMENT**

This Agreement represents and incorporates the entire understanding of the parties hereto concerning the statement of work specified in Appendix A, and each party acknowledges that there are no warranties, representations, covenants or understandings of any kind, manner or description whatsoever by either party to the other except as expressly set forth and herein above written.

**3. CONSULTANT**

In performing services under this Agreement, *Consultant* shall operate as and have the status of an independent contractor and shall not act as or be an agent or employee of the *District*. For this reason, all of the *Consultant's* activities will be at its own risk.

*Consultant* confirms that *Consultant* has not retired under the Washington State 2008 early retirement factors program.

**4. PROFESSIONAL CONDUCT**

*Consultant* agrees to perform its consulting services with that standard of care, skill and diligence normally provided by a professional person in the performance of such consulting services in respect to work similar to that hereunder. *Consultant* is hereby given notice that the *District* will be relying on the accuracy, competence, and completeness of *Consultant's* services hereunder in utilizing the results of such services.



5. **INDEMNIFICATION**

*Consultant* shall protect, hold free and harmless, defend and pay on behalf of the *District* (including its managers, commissioners and employees) all liability, penalties, costs, losses, damage, expense, causes of action, claims, or judgments, (including attorney's fees) resulting from injury or death, sustained by any person (including *consultant's* employees) or damage to property of any kind which injury, death, or damage arises out of or is in any way connected with *consultant's* performance of this contract. *Consultant's* hold harmless agreement shall apply to any act or omission, willful misconduct or negligence whether passive or active, on the part of *consultant* (its agents or employees); except, that this agreement shall not be applicable to injury, death, or damage to property or persons arising from the sole negligence or the sole willful misconduct of Public Utility District No. 1 of Benton County, its managers, commissioners, and employees.

**In any and all claims against the *District* by any employee of *Consultant*, the indemnification and hold-harmless obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the *Consultant* under worker's compensation acts, disability benefit acts, or other employee benefit acts, AND *CONSULTANT* SPECIFICALLY AND EXPRESSLY WAIVES ANY IMMUNITY UNDER SUCH ACTS. *CONSULTANT* ACKNOWLEDGES THAT THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.**

6. **INSURANCE**

The *Consultant* shall have, and maintain throughout the Contract period, insurance and benefits in the following minimum requirements:

- (a) Workers' compensation insurance, Social Security, Federal Income Tax deductions, and any other taxes or payroll deductions required by law for, or on behalf, of its employees.
- (b) Employer's liability, professional liability, commercial general liability (bodily injury and property damage) and comprehensive auto-mobile liability (bodily injury and property damage) insurance, with each policy having maximum limits of not less than \$1,000,000.
- (c) *Consultant* shall provide an endorsement on the Commercial General Liability and Property Damage policy naming the District as additional insured and add a separation of insured clause or a cross liability endorsement.

The *District* shall have the right at any time to require commercial general liability, automobile liability, and property damage insurance greater than those required in subsection (b) of this section.

*Consultant* shall deliver to the Purchasing Department of the *District*, no later than ten (10) days after award of the Agreement, but in any event prior to execution of the Agreement by the *District* and prior



to commencing work, Certificates of Insurance, identified on their face as the Agreement Number to which applicable, as evidence that policies providing such coverage and limits of insurance are in full force and effect, which Certificates shall provide that not less than thirty (30) days advance notice will be given in writing to the *District* prior to cancellation, termination or alteration of said policies of insurance. Such advance notice of cancellation, termination, or alteration of said policies shall be delivered to the Purchasing Department of the *District*.

**7. DISCOVERY OF CONFLICTS, ERRORS, OMISSIONS OR DISCREPANCIES**

In case of conflict or discrepancies, errors, or omissions among various parts of the Agreement, the matter shall be submitted immediately by *Consultant* to the *District* for clarification. Any work affected by such conflicts, discrepancies, errors or omissions which is performed by *Consultant* prior to clarification by the *District* shall be at *Consultant's* risk.

**8. ROYALTIES, PATENTS AND LICENSES**

The *District* shall have a permanent, assignable non-exclusive royalty-free license to use any concept, product or process, patentable or otherwise, furnished or supplied to the *District* by *Consultant*, or otherwise conceived and/or developed by *Consultant* in the performance of this Agreement. If requested by the *District*, *Consultant* agrees to do all things necessary, at the *District's* sole cost and expense, to obtain patents or copyrights of any processes, products or writings conceived and/or developed or produced by *Consultant* in the performance of this Agreement, to the extent that same may be patented or copyrighted, and further agrees to execute such documents as may be necessary to implement and carry out the provisions of this paragraph. All materials prepared or developed by *Consultant* hereunder, including documents, calculations, maps, sketches, notes, reports, data, models, and samples, shall become the property of the *District* when prepared, whether delivered to the *District* or not, and shall together with any materials furnished *Consultant* by the *District* hereunder, be delivered to the *District* upon request and, in any event, upon termination of this Agreement.

**9. NONDISCLOSURE**

*Consultant* agrees that he will not divulge to third parties, without the written consent of the *District*, any information which relates to the technical or business activities of the *District* obtained from or through the *District* in connection with the performance of this Agreement unless: (i) the information is known to *Consultant* prior to obtaining the same from the *District*, (ii) the information is, at the time of disclosure by *Consultant*, then in the public domain; or (iii) the information is obtained by *Consultant* from a third party who did not receive the same, directly or indirectly, from the *District* and who has no obligation of nondisclosure with respect thereto. *Consultant* further agrees that he will not, without the prior written consent of the *District*, disclose to any third party any information developed or obtained by *Consultant* in the performance of this Agreement except to the extent that such information falls within one of the categories described in (i), (ii), or (iii) above.



If so requested by the *District*, *Consultant* further agrees to require its employees to execute a Nondisclosure Agreement prior to performing any services under this Agreement.

10. **SUBCONTRACTS**

Any contract entered into by *Consultant* with any subcontractor or any person or organization for the performance of this Agreement or any portion thereof without prior written consent of *District* shall be void. Consent will not be given to any proposed contract, as mentioned above, which would relieve *Consultant* or its surety of their responsibilities under this Agreement.

11. **COMPLIANCE WITH LAWS**

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

*Consultant* shall promptly give all notices and comply strictly with all laws, codes, ordinances, rules, orders and regulations applicable to the work. *Consultant* shall hold the *District* harmless as a result of any infractions thereof by it or any of its Subcontractors.

Without limitation on the foregoing, the *Consultant* shall comply with (i) the Washington Industrial Safety and Health Act (WISHA); (ii) if required, Executive Order No. 11246, dated September 24, 1965, as amended by Executive Order 11375, including posting of notices, filing of reports, and initiation of programs; and, if required, the *Consultant* also will contract with all of its vendors, subcontractors, and/or agents to comply with the foregoing Executive Orders.

*Consultant* agrees to comply with provisions set forth in Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, 38 U.S.C. §4212 of the Vietnam Veterans' Readjustment Assistance Act of 1974, as amended and all provisions of 29 CFT Part 471, Appendix A to Subpart A (Executive Order 13496).

12. **TERMINATION**

The *District* may, by written notice to the *Consultant*, terminate this Agreement in whole or in part any time, either for the *District's* convenience, or for the default of *Consultant*. Upon such termination, all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the *Consultant* in the exclusive performance of this Agreement shall, in the manner and to the extent determined by the *District*, become the property of and be delivered to the *District*.

If the termination is for the convenience of the *District*, an equitable adjustment in the Agreement



price shall be made by Agreement between *Consultant* and the *District* in the compensation to be paid *Consultant* under this Agreement, but no amount shall be allowed for anticipated profit or unperformed services.

If, after notice of termination for failure to fulfill Agreement obligation, it is determined that the *Consultant* had not so failed, the termination shall be deemed to have been effected for the convenience of the *District*. In such event, adjustment in the Agreement price shall be made as provided in paragraph ii, above.

The rights and remedies of the *District* provided in this Article are in addition to any other rights and remedies provided by law or under this Agreement.

**13. CHANGES**

The *District* may at any time, by written order, make changes within the Statement of Work of the Agreement in the services to be performed. If such changes cause an increase or decrease in the cost of, or time required for performance of any services under this Agreement, an equitable adjustment shall be made and the Agreement shall be modified in writing accordingly. Any claim for adjustment under this Article must be asserted in writing within thirty (30) days from the date of receipt by the *Consultant* of the notification of change, unless the *District* grants a further period of time before the date of final payment under the Agreement.

No services for which an additional cost or fee will be charged by the *Consultant* shall be furnished without the prior written authorization of the *District*.

**14. PROGRESS REVIEW**

The services performed under this Agreement shall be subject to review by the *District*. This periodic review shall not relieve the *Consultant* of responsibility for proper performance of the services.

**15. AUDITS**

The *Consultant* shall, during the life of this contract and for a period of three (3) years following final settlement and close out of the contract, retain sufficient evidence, which shall be freely disclosed to the *District*, its agents, representatives and the Bonneville Power Administration to permit verification of proper performance of entitlement to payments for work under this contract.

**16. PUBLIC RECORDS**

The *Consultant* shall provide public records submitted in the manner directed by the *District*. The *Consultant* shall maintain on file and have available to the *District* its calculations in legible form for a



period of three (3) years following termination of this Agreement drawings, specifications, reports and any other documents prepared by the *Consultant* in connection with any or all of the services furnished hereunder shall be the property of the *District*.

17. **INVOICES**

*Consultant* shall invoice referencing this Agreement number and the Work Release Order Number, if any. Invoices shall be numbered, itemized and supported by proper documentation in accordance with the provisions of Appendix B, Schedule of Payments. Invoices are to be emailed directly to [ap@bentonpud.org](mailto:ap@bentonpud.org).

18. **REIMBURSEMENT OF EXPENSES**

General:

Expenses of a personal nature which do not benefit the District and which might have been incurred whether or not the traveler was on official business are not reimbursable. These include entertainment, alcoholic beverages, clothes laundering or dry cleaning, traffic violations, side trips not related to District business, expenses of family or other persons not authorized to receive reimbursement from the District, trip insurance, and personal purchases.

Receipts for hotel/motel accommodations, air travel, and rental car shall be attached to invoices as documentation of expenditures, regardless of amount. Receipts for taxi, other forms of local travel, parking fees and other incidental expenses need not be attached unless the amount of the claim exceeds \$35 per item.

Transportation:

Travel should be by the most direct route available, and the mode of transport should be the one that is most economical and consistent with the purposes of the trip. The traveler should accept the lowest transportation fares meeting the trip requirements. Indirect routing and stopovers for personal reasons are to be approved in advance and noted on the Travel Expense Report. Related additional costs are not reimbursable.

Lodging:

Payment for lodging is at actual cost for reasonable accommodations, which can vary depending on the location of travel.

Travelers are required to attach an itemized lodging receipt for approved occupancy to the invoice.

Meals:

Travelers are eligible to receive a per diem meal allowance while conducting official District business. Receipts are not required. Travelers are eligible to receive a meal allowance if the business trip requires them to be in travel status during their normal mealtime (i.e., breakfast, lunch or dinner). The per diem meal allowance is considered to be a reimbursement for meal expenses. Per diem



amounts will be reduced in instances where a traveler does not incur expenses for meals because they are furnished or included in the registration fee for a meeting or conference. Per diem meal allowances are not reduced for meals served on airlines or for continental breakfast served at the hotel or seminar/conference.

IRS Publication, 1542, *Per Diem Rates*, will provide per diem rates for travel within the continental United States, Finance & Administrative Services will maintain a table of the per diem rates, including tax and tip, which shall establish the maximum reimbursement for single meals.

The District Auditor may approve an exception to the per diem meal allowance and allow for the reimbursement of actual meal expenses under special circumstances. In such cases, receipts will be required for reimbursement. Reimbursement for tips and gratuities will be limited to 18% of the meal cost.

Contact Finance & Administrative Services for per diem rates for foreign travel.

Communication Expenses:

The cost of business telephone calls is reimbursable, including brief calls (up to 5 minutes) to a traveler's home relating to safe arrival, change in travel plans and airport transportation.

Charges for fax machine and Internet are eligible for reimbursement if District business requires such communication.

Other Expenses:

Actual costs are reimbursed for necessary baggage handling and other incidental business expenses, including reasonable and customary tips for valet service and housekeeping.

19. **NOTICES**

Any notice required to be given under this Agreement shall be given by depositing in the U.S. Mail with registered postage prepaid to the address of the *District* or *Consultant*, respectively, as set forth herein and shall be effective on the date of mailing as shown by the postmark or shall be given in writing served on an officer of the *Consultant* or on the Contract and Purchasing Manager of the *District*.

20. **TITLE**

The *District* shall retain title to all *District* furnished property. All *District* property and all property acquired by the *Consultant* or its subcontractors are subject to the provisions of this clause. If this contract contains a provision directing the *Consultant* or its subcontractor to purchase material or equipment for which the *District* will reimburse the *Consultant* or its subcontractors as a direct item of cost under this contract –

(i) Title to material and equipment purchased from a vendor shall pass to and vest in the *District*



**CONTRACT #20-21-31**

upon random delivery of such material and equipment, and

- (ii) Title to all other material and equipment shall pass to and vest in the *District* upon
  - (a) Issuance of the material and equipment for use in contract performance; or
  - (b) Commencement of proceedings of the material and equipment or its use in contract performance; or
  - (c) Reimbursement of the cost of the material and equipment by the *District*, whichever occurs first.

☐ END ☐



**CONTRACT #20-21-31**

## Appendix A Statement of Work

Provide Turn-key design of the Sunset to Dallas Road Transmission Project. As defined in letter provided by Electrical Consultants, Inc. on August 1, 2022; Exhibit- A.



**CONTRACT #20-21-31**

## Appendix B Schedule of Payments

Not-to-exceed amount for the term of this contract will be \$269,950.00. Subcontractor costs are included and will be inclusive of ECI's standard 10% subcontractor markup. Any additional costs will be approved in writing and a change order issued before cost is authorized on this contract.



**CONTRACT #20-21-31**

Appendix C  
Special Conditions

Changes to General Terms and Conditions: None



## Appendix D Reimbursement of Expenses

### **General:**

As a public entity, good stewardship requires expenses to be allowable, accurate and reasonable. Expenses that do not meet these criteria may be denied for reimbursement. Expenses of a personal nature which do not benefit the District and which might have been incurred whether or not the traveler was on official business are not reimbursable. These include entertainment, alcoholic beverages, clothes laundering or dry cleaning, traffic violations, side trips not related to District business, expenses of family or other persons not authorized to receive reimbursement from the District, trip insurance, and personal purchases.

Receipts for hotel/motel accommodations, air travel, rental car, baggage fees, any other airline fees and airport parking shall be attached to invoices as documentation of expenditures, *regardless of amount*. Receipts for meals must be attached to invoices if the per diem method is not used (see Meals). Receipts for taxi, other forms of local travel, parking fees and other incidental expenses need not be attached unless the amount of the claim exceeds \$35.00 per item.

### **Transportation:**

Travel should be by the most direct route available, and the mode of transport should be the one that is most economical and consistent with the purposes of the trip. The traveler should accept the lowest transportation fares meeting the trip requirements. In the case of indirect routing and stopovers for personal reasons, reimbursable expenses are to be limited to the most economical cost of the direct route, while any additional expenses are not reimbursable. Benton PUD reserves the right to make partial reimbursement if transportation costs are excessive or unreasonable.

### **Lodging:**

Payment for lodging is at actual cost for reasonable accommodations at a commercial lodging establishment, which can vary depending on the location of travel. Contractors should stay at the most cost effective location, considering lodging and transportation costs, meeting location, and personal safety. Benton PUD reserves the right to make partial reimbursement if lodging costs are excessive or unreasonable. If Contractor has questions or concerns, they should seek advance approval.

The lodging expense limitations should be applied to the lodging rate before taxes. Thus, the amount reimbursed or paid for lodging expenses may exceed the established lodging limitation.

Travelers are required to attach an itemized lodging receipt for approved occupancy to the invoice. The following items must be included on the itemized receipt:

- Traveler's name or names
- Name and address of the place of lodging
- Date(s) occupied



- Actual rate charged per room

Other charges such as tips, room service, movies, personal phone calls, laundry services, late checkout fees, meals or miscellaneous charges are not included in the lodging expense and are not reimbursable.

Pre-approval from the District will be required if the travelers intends on staying longer than five (5) business days.

**Meals:**

Travelers must choose between per diem reimbursement and actual meal costs documented by receipts. Only one method may be used for this contract. If actual meal cost reimbursement is chosen, reimbursement may be denied if no receipt is provided. The District reserves the right to limit meal expenses to the maximum per diem (M&IE) amount referred to in the next paragraph. Actual costs in excess of the maximum per diem (M&IE) amount will be reviewed by the Contract Work Manager and the District's Auditor or Deputy Auditor.

***Per Diem (M&IE)***

If the per diem method is chosen then travelers are eligible to receive the per diem and incidental expense (M&IE) allowance authorized by the IRS while conducting official District business. Receipts are not required. The M&IE allowance will be paid up to a maximum of 75% of the M&IE allowance on days of departure and return. Per diem amounts will be reduced in instances where a traveler does not incur expenses for meals because they are furnished or included in the registration fee for a meeting or conference. Per diem meal allowances are not reduced for limited continental breakfasts served at the hotel or seminar/conference. The per diem M&IE allowance recognized by the IRS is published by the U.S. General Services Administration ([www.gsa.gov/perdiem](http://www.gsa.gov/perdiem)) for travel within the continental United States.

Incidental expenses that are included in the per diem M&IE allowance include fees and tips given to porters, baggage carriers, bellhops and housekeeping.

***Actual Meal Costs***

Actual meal costs are reimbursable and must be accompanied by a detailed receipt listing the items purchased. **Credit card receipts without details of the expenditures are not acceptable.** The purchase of alcoholic beverages is not reimbursable. If actual meal costs are submitted for reimbursement, the District may deny reimbursement for lack of detailed receipt or unreasonable costs. The District will reimburse tips up to 20%. Tips of \$3 or less are acceptable regardless of the cost of the meal.

**Communication Expenses:**

The cost of business telephone calls is reimbursable, including brief calls (up to 5 minutes) to a traveler's home relating to safe arrival, change in travel plans and airport transportation.

Charges for fax machine and Internet are eligible for reimbursement if District business requires such



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communication.

**Other Expenses:**

Actual costs for reasonable and substantiated business costs are reimbursed for other incidental business expenses not specifically included in the per diem M&IE allowance and not specifically addressed elsewhere.



## Appendix E Confidentiality and Nondisclosure Agreement

This Confidentiality Agreement (“Agreement”) is by and between Public Utility District No. 1 of Benton County (“the District”), a municipal corporation governed under RCW 54 of the laws of the State of Washington, and Electrical Consultants, Inc. (“Contractor”).

The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56. All records submitted to the District in this RFP are public records subject to disclosure unless exempt under RCW 42.56. It is the vendor’s (proposer’s) responsibility to understand the requirements of RCW 42.56. The District, as a public entity, must comply with public disclosure laws. As such, the District may be obligated to release information marked as proprietary and confidential, including but not limited to proposals and contract documents, in response to a formal public records request. Specific information and records submitted to the District in response to this RFP that the vendor desires to claim as exempt from disclosure under the provisions of RCW 42.56, or other state or federal law that provides for the nondisclosure of information **must** be clearly identified and designated as “Exempt Information”. If a public records request is received by the District for any information that is marked as “Exempt Information”, the District will notify the proposer of the request and that the records will be released to the requester on a specific date unless the proposer obtains a court order enjoining the disclosure by the date specified. The District assumes no contractual obligation to support or enforce any claim of exemption by the proposer.

For purposes of this Agreement, “Confidential Information” shall include the District’s customer, employee, or vendor information, all technical and business information or material that has or could have commercial value or other interest in the business or prospective business of the District, and all information and material provided by the District which is not an open public record subject to disclosure under the Washington Public Records Act. Confidential Information also includes all information of which unauthorized disclosure could be detrimental to the interests of the District or its customers, whether or not such information is identified as Confidential Information.

For purposes of this Agreement, “Contractor” shall include all employees, consultants, advisors and subcontractors of Contractor (“its Representatives”).

Contractor hereby agrees as follows:



1. Contractor and its Representatives shall use the Confidential Information solely for the purposes directly related to the business set forth in Contractor's agreement with the District and shall not in any way use the Confidential Information to the detriment of the District. Nothing in this Agreement shall be construed as granting any rights to Contractor, by license or otherwise, to any of the District's Confidential Information.

Contractor agrees to obtain and utilize such Confidential Information provided by the District solely for the purposes described above, and to otherwise hold such information confidential pursuant to the terms of this Agreement.

2. In the event third parties attempt to obtain the Confidential Information by legal process, the Contractor agrees that it will not release or disclose any Confidential Information until the District has notice of the legal process and has been given reasonable opportunity to contest such release of information and/or to assert the confidentiality privilege.
3. Upon demand by the District, all information, including written notes, photographs, memoranda, or notes taken by Contractor that is Confidential Information shall be returned to the District.
4. Confidential Information shall not be disclosed to any third party without prior written consent of the District.
5. It is understood that Contractor shall have no obligation with respect to any information known by it or generally known within the industry prior to the date of this Agreement, or become common knowledge with the industry thereafter.
6. Contractor acknowledges that any disclosure of Confidential Information will cause irreparable harm to the District, and agrees to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure and agrees generally to take all steps necessary to ensure the maintenance of confidentiality including obligating any of its Representatives who receive Confidential Information to covenants of confidentiality.
7. The obligation set forth in this Agreement will continue for as long as Contractor possesses Confidential Information. If Contractor fails to abide by this Agreement, the District will be entitled to specific performance, including immediate issuance of a temporary restraining order or preliminary injunction enforcing this Agreement, and to judgment for damages caused by the Contractor's breach, and to any other remedies provided by applicable law. Any breach of this Agreement shall constitute a default in performance by Contractor in any contract between the District and Contractor. If any suit or action is filed by the District to enforce this Agreement, or otherwise with respect to the subject matter of this Agreement, the prevailing party shall be entitled



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to recover reasonable attorney fees incurred in the preparation or in prosecution or defense of such suit or action as affixed by the trial court, and if any appeal is taken from the decision of the trial court, reasonable attorney fees as affixed by the appellate court. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.



## Appendix F DATA CLAUSE

- 1.1 Ownership. District's data ("District Data," which shall also be known and treated by Service Provider as Confidential Information) shall include: (a) District's data collected, used, processed, stored, or generated as the result of the use of the Services; and, (b) personally identifiable information ("PII") collected, used, processed, stored, or generated as the result of the use of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements listed herein. District Data is and shall remain the sole and exclusive property of District and all right, title, and interest in the same is reserved by District. This Section shall survive the termination of this Agreement.
- 1.2 Service Provider Use of District Data. Service Provider is provided a limited license to District Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display District Data only to the extent necessary in the providing of the Services. Service Provider shall: (a) keep and maintain District Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Agreement and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose District Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Agreement, and applicable law; and, (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available District Data for Service Provider's own purposes or for the benefit of anyone other than District without District's prior written consent. This Section shall survive the termination of this Agreement.
- 1.3 Extraction of District Data. Service Provider shall, within one (1) business day, or as mutually agreed to, of District's request, provide District, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Service Provider), an extract of the District Data in the format specified by District.
- 1.4 Backup and Recovery of District Data. As a part of the Services, Service Provider is responsible for maintaining a backup of District Data and for an orderly and timely recovery of such data in the event that the Services may be interrupted. Service Provider shall



maintain a contemporaneous backup of District Data that can be recovered within two (2) hours, or as mutually agreed to, at any point in time. Additionally, Service Provider shall store a backup of District Data in an off-site “hardened” facility no less than daily, maintaining the security of District Data, the security requirements of which are further described herein. Any backups of District Data shall not be considered in calculating storage used by District.

- 1.5 Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of District Data or the physical, technical, administrative, or organizational safeguards put in place by Service Provider that relate to the protection of the security, confidentiality, or integrity of District Data, Service Provider shall, as applicable: (a) notify District as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with District in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by District; (c) in the case of PII, at District’s sole election, (i) notify the affected individuals who comprise the PII as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or, (ii) reimburse District for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twelve (12) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting District’s obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless District for any and all Claims (as defined herein), including reasonable attorneys’ fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from District in connection with the occurrence; (g) be responsible for recreating lost District Data in the manner and on the schedule set by District without charge to District; and, (h) provide to District a detailed plan within ten (10) calendar days of the occurrence describing the measures Service Provider will undertake to prevent a future occurrence. Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Service Provider’s representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Service Provider has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact



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information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Service Provider. This Section shall survive the termination of this Agreement.



X	Business Agenda
	Second Reading
	Consent Agenda
	Info Only/Possible Action
	Info Only

**COMMISSION MEETING AGENDA ITEM**

Subject:	Contract Award Recommendation – Fencing Repair and Upgrades – Formal Quote #22-38-05	
Agenda Item No:	8b	
Meeting Date:	August 9, 2022	
Presented by:	Stephen Hunter	<i>Staff Presenting Item</i>
Approved by (dept):	Stephen Hunter	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

**Motion for Commission Consideration**

Motion to award Contract for Fencing Repair and Upgrades, Formal Quote #22-38-05, to Northwest Fence Company, for the total amount of \$189,134.00 plus Washington State sales tax in accordance with RCW 54.04.080.

**Background**

The District requested formal quotes to replace the north fence at Operations center and make any necessary repairs to existing fence. This is a security project that came as a recommendation from iParametrics security assessment of campus. The District received one Formal Quote from Northwest Fence Company for this work in the amount of \$189,134.00.

**Summary**

This is a security project that is a result of iParametrics recommendation after visiting the Kennewick campus.

**Fiscal Impact**

This project was budgeted in Department 38 at \$150,000.00. The NTE for this project is \$189,134.00.



**CONTRACT #22-38-05**

**SMALL WORKS CONTRACT**

**Project: Fencing Repair and Upgrades - Operations**

On this 9th day of August, 2022, **NORTHWEST FENCE COMPANY** (the *Contractor*) and **PUBLIC UTILITY DISTRICT NO.1 of BENTON COUNTY** (the *District*) agree to be bound by the following terms and conditions:

1. The *Contractor* agrees to perform the work and furnish labor, equipment, and certain materials in accordance with the plans and specifications.
  
2. The *Contractor*, in the performance of the work herein specified, shall be considered an independent contractor solely responsible for the performance of said work and any damage resulting therefrom.
  
3. The *Contractor* shall comply with Revised Code of Washington Section 39.12, providing for payment of prevailing wages. No workman, laborer, or mechanic employed in the performance of any part of this contract shall be paid less than the 'prevailing rate of wage' as determined by the industrial statistician of the Department of Labor and Industries. The schedule of the prevailing wage rates for the locality or localities where this contract will be performed is by reference made a part of this contract as though fully set forth herein.

It will be the responsibility of the *Contractor* to pay all filing fees necessary to comply with RCW 39.12.

4. *Contractor* shall protect, hold free and harmless, defend and pay on behalf of Public Utility District No. 1 of Benton County (including its managers, commissioners and employees)



**CONTRACT #22-38-05**

all liability, penalties, costs, losses, damage, expense, causes of action, claims, or judgments, (including attorney's fees) resulting from injury or death, sustained by any person (including contractor's employees) or damage to property of any kind which injury, death, or damage arises out of or is in any way connected with *contractor's* performance of this contract. *Contractor's* hold harmless agreement shall apply to any act or omission, willful misconduct or negligence whether passive or active, on the part of *contractor* (its agents or employees); except, that this agreement shall not be applicable to injury, death, or damage to property or persons arising from the negligence or the willful misconduct of Public Utility District No. 1 of Benton County, its managers, commissioners, and employees.

In any and all claims against the *District* by any employee of *Contractor*, the indemnification and hold-harmless obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor under worker's compensation acts, disability benefit acts, or other employee benefit acts, AND *CONTRACTOR* SPECIFICALLY AND EXPRESSLY WAIVES ANY IMMUNITY UNDER SUCH ACTS. *CONTRACTOR* ACKNOWLEDGES THAT THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

5. The *Contractor* hereby accepts exclusive liability for payment of any and all taxes (federal and/or state) required to be paid by the *Contractor*, the employees of such *Contractor*, or by any subcontractors or the officers or employees of such subcontractors, to any governmental agency, commission or authority having jurisdiction in the premises, under the provisions of any unemployment insurance, social security and/or pension plans established by law insofar as said taxes pertain to work performed under this contract. It is expressly understood and agreed that the *Contractor* will save and hold harmless the *District* from any



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and all liability whatsoever for the deduction, collection, and/or payment of any such sums or the performance of any of the requirements aforesaid.

6. The *Contractor* agrees to meet all requirements that may be specified under regulations of any governmental agency, commissioner or authority having jurisdiction in the premises insofar as said requirements relate to work performed under this contract. It is expressly understood and agreed that the *Contractor* will save and hold harmless the *District* from any and all liability whatsoever for the deduction, collection, and/or payment of any such sums or the performance of any of the requirements aforesaid.

7. The *Contractor* agrees to comply with provisions set forth in Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, 38 U.S.C. § 4212 of the Vietnam Veterans' Readjustment Assistance Act of 1974, as amended and all provisions of 29 CFR Part 471, Appendix A to Subpart A (Executive Order 13496).

8. The *Contractor* will be required to furnish a Performance Bond in the form attached hereto with a surety authorized to do business in the State of Washington, in a penal sum not less than the contract price for all projects over \$50,000.00.

9. The *Contractor* agrees to warrant all work, for a period of one year, against defects in such work as desired in the plans and specifications, or other contract documents. Such warranty from the date of acceptance of the work by the *District*.

10. The *Contractor* will not sublet any of the work to be performed by him under the terms of this agreement and will not assign this contract or any rights hereunder, without first obtaining the written approval of the *District*.



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11. It is agreed that neither the *District* nor the *Contractor* shall be held liable for work stoppage caused by strikes, injunction suits, acts of God or the public enemy, or causes beyond the control of the parties.

12. Payment to the *Contractor* for work performed shall be as follows:

a) For a contract with a completion schedule of forty-five (45) calendar days or less the payment shall be after the work is completed and has been finally accepted by the *District*.

b) For a contract with a completion schedule greater than forty-five (45) calendar days, the *District* will make progress payments for work performed. The *District* shall make payment to the *Contractor* for construction accomplished during the preceding calendar month on the basis of completed construction certified by the *Contractor*, and approved by the *District's* representative solely for the purpose of payment.

No payment shall be made until the *Contractor's* and Subcontractor's "Statement of Intent to Pay Prevailing Wages" has been certified by the Department of Labor and Industries and a copy so certified has been furnished to the *District* by the *Contractor* and all Subcontractors. On contracts \$50,000.00 and greater, five percent (5%) of the amount of each payment shall be withheld until final acceptance of the completed contract by the *District* and the expiration of the thirty-day (30-day) period for filing of liens as provided by law and until: (1) the *Contractor's* and Subcontractor's "Affidavit of Wages Paid" has been certified by the Department of Labor and Industries and a copy so certified has been furnished the *District* by the *Contractor* and all subcontractors, (2) a certificate is received from the Audit section of the



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State Department of Revenue (contracts over \$50,000.00) authorizing the payment of the retained fund, and (3) a certificate of release from the Dept. of Labor & Industries has been furnished to the *District*. A Notice of Completion of Public Works Contract will be filed with the State Department of Revenue by the *District* upon acceptance of the Contract by the *District*. It will be the responsibility of the *Contractor* to notify the Dept. of Labor & Industries of contract completion.

13. If the *District* is dissatisfied with the quality of work being performed relative to workmanship and/or compliance with the plans and specifications, the *District* will inform the *Contractor* in writing of the dissatisfaction, and if the *Contractor* has failed to comply with the *District's* requests within two (2) days, then the *District* may terminate this agreement by providing five (5) days written notice to the *Contractor*. This contract may be canceled by either party upon receipt of thirty (30) days written notice from the other party. All work shall be done in a workmanlike manner. All work, material, and locations of equipment are subject to *District* approval.

14. The *Contractor* shall have, and maintain throughout the Contract period, insurance and benefits in the following minimum requirements:

(a) Workers' compensation insurance, Social Security, Federal Income Tax deductions, and any other taxes or payroll deductions required by law for, or on behalf, of its employees.

(b) Employer's liability, commercial general liability (bodily injury and property damage) and comprehensive automobile liability (bodily injury and property damage) insurance, with each policy having maximum limits of not less than \$1,000,000.



**CONTRACT #22-38-05**

(c) *Contractor* shall provide an endorsement on the Commercial General Liability and Property Damage policy naming the *District* as additional insured and add a separation of insured clause or a cross liability endorsement.

The *District* shall have the right at anytime to require commercial general liability, automobile liability, and property damage insurance greater than those required in subsection (b) of this section.

*Contractor* shall deliver to the Purchasing Department of the *District*, no later than ten (10) days after award of the Agreement, but in any event prior to execution of the Agreement by the *District* and prior to commencing work, Certificates of Insurance, identified on their face as the Agreement Number to which applicable, as evidence that policies providing such coverage and limits of insurance are in full force and effect, which Certificates shall provide that not less than thirty (30) days advance notice will be given in writing to the *District* prior to cancellation, termination or alteration of said policies of insurance. Such advance notice of cancellation, termination, or alteration of said policies shall be delivered to the Contracts & Purchasing Department of the *District*.

15. The *Contractor* shall at all times take all reasonable precautions for the safety of employees on the work and of the public and shall comply with all applicable provisions of federal, state, and municipal safety laws and building and construction codes.

16. The following documents are, by this reference, incorporated into and made a part of this Small Works Agreement.

*Appendix A - Statement of Work*



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*Appendix B - Schedule of Payments*

*Appendix C - Special Conditions (if applicable)*

*Appendix D – Reimbursement of Expenses*

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement.

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

**NORTHWEST FENCE COMPANY**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT:       Rick Dunn      

PRINT: \_\_\_\_\_

TITLE:       General Manager      

TITLE: \_\_\_\_\_

DATE:       08/09/2022      

DATE: \_\_\_\_\_

UBI NO. \_\_\_\_\_



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## Appendix A Statement of Work

### SCOPE OF WORK

Contractor shall provide all work required including supervision, equipment, labor, materials, and incidentals for a complete installation of the work described below and detailed in the contract drawings.

### **CONTRACTOR GENERAL RESPONSIBILITIES:**

#### **1. Scope of Project**

Contractor to perform multiple tasks to upgrade the current fencing at Benton PUD's Kennewick campus: the Operations facility (1500 S. Ely Street, Kennewick) and the Administration facility (2721 W. 10<sup>th</sup> Avenue, Kennewick), which reside on the same campus. Those tasks will include:

- Replacement of approximately 1000' of current fencing along the canal side to the south of the Operations facility with 7' fencing and triple-stranded barbed wire top guard that matches, or closely matches, the rest of the Operations fencing, including cross bar securing top of fence and bottom wire.
- Addition of approximately 626.5' triple-stranded barbed wire top guard for all fenced areas and gates that do not currently have top guard (must match, or closely match, the top guard used around other portions of the fencing).
- Repair/replacement of portions of current fence where fencing is not secure and/or where unauthorized access may be easier to accomplish (missing or loose ties, fence loose at ground and allowing potential to crawl under, etc.).

#### **2. Site Management**

- Contractor is responsible to comply with any City requirements, permits, etc.
- Contractor is responsible for any damage to property, including but not limited to curbing, sidewalk, irrigation, lawn, asphalt, buildings, etc.
- Contractor is responsible for maintaining security of restricted areas (areas the current fencing is protecting) during times in which work in progress could allow unauthorized access. Plastic fencing (such as safety fence) and/or temporary barricades/tapes will not be acceptable.
- Contractor to dispose of all material and garbage.
- Contractor to provide proper dust control for duration of project.
- Contractor is responsible for any needed traffic control.
- Contractor shall provide all necessary labor, materials, and equipment to perform the described scope.

We would like all Contractors to provide a timeline and project schedule with their formal quote that outlines their work plan to meet the above clarifications and specifications.



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## **Appendix B Schedule of Payments**

*Contractor* will be paid within a period of thirty (30) days after receipt of invoice.

The maximum amount payable by the *District* to *Contractor* under this Agreement shall not exceed \$189,134.00 plus Washington State Tax.



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**Appendix C  
Special Conditions**

Changes to General Terms and Conditions: None



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## Appendix D Reimbursement of Expenses

### **General:**

As a public entity, good stewardship requires expenses to be allowable, accurate and reasonable. Expenses that do not meet these criteria may be denied for reimbursement. Expenses of a personal nature which do not benefit the *District* and which might have been incurred whether or not the traveler was on official business are not reimbursable. These include entertainment, alcoholic beverages, clothes laundering or dry cleaning, traffic violations, side trips not related to *District* business, expenses of family or other persons not authorized to receive reimbursement from the *District*, trip insurance, and personal purchases.

Receipts for hotel/motel accommodations, air travel, and rental car shall be attached to invoices as documentation of expenditures, regardless of amount. Receipts for meals must be attached to invoices if the Per Diem method is not used (see Meals). Receipts for taxi, other forms of local travel, parking fees and other incidental expenses need not be attached unless the amount of the claim exceeds \$35.00 per item.

### **Transportation:**

Travel should be by the most direct route available, and the mode of transport should be the one that is most economical and consistent with the purposes of the trip. The traveler should accept the lowest transportation fares meeting the trip requirements. In the case of indirect routing and stopovers for personal reasons, reimbursable expenses are to be limited to the most economical cost of the direct route, while any additional expenses are not reimbursable. The *District* reserves the right to make partial reimbursement if transportation costs are excessive or unreasonable.

### **Lodging:**

Payment for lodging is at actual cost for reasonable accommodations at a commercial lodging establishment, which can vary depending on the location of travel, and is subject to a maximum dollar limit. Contractors should stay at the most cost effective location, considering lodging and transportation costs, meeting location, and personal safety. The *District* reserves the right to make partial reimbursement if lodging costs are excessive or unreasonable. If Contractor has questions or concerns, they should seek advance approval.



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The lodging expense limitations should be applied to the lodging rate before taxes. Thus, the amount reimbursed or paid for lodging expenses may exceed the established lodging limitation.

Travelers are required to attach an itemized lodging receipt for approved occupancy to the invoice. The following items must be included on the itemized receipt:

- Traveler's name or names
- Name and address of the place of lodging
- Date(s) occupied
- Actual rate charged per room

Other charges such as tips, room service, movies, personal phone calls, laundry services, late checkout fees, meals or miscellaneous charges are not included in the lodging expense and are not reimbursable.

Pre-approval from the *District* will be required if the travelers intends on staying longer than five (5) business days.

**Meals:**

Travelers are eligible to receive a per diem meal and incidental expense (M&IE) allowance while conducting official *District* business. Travelers are eligible to receive a meal allowance if the business trip requires them to be in travel status during their normal mealtime (i.e., breakfast, lunch or dinner).

Travelers must choose between per diem reimbursement and actual meal costs documented by receipts. Only one method may be used for this contract. If actual meal cost reimbursement is chosen, reimbursement may be denied if no receipt is provided.

***Per Diem (M&IE)***

Reimbursements for meal expenditures, if any, is to a maximum of the current per diem M&IE allowance listed in Appendix C Schedule of Payments. The per diem M&IE allowance is considered to be a reimbursement for meal expenses. Per diem amounts will be reduced in instances where a traveler does not incur expenses for meals because they are furnished or included in the registration fee for a meeting or conference. Per diem meal allowances are not reduced for limited continental breakfasts served at the hotel or seminar/conference. The per diem M&IE allowance recognized by the IRS is published by the U.S. General Services Administration ([www.gsa.gov/perdiem](http://www.gsa.gov/perdiem)) for travel within the continental United States. The *District* will maintain a table of the per diem rates, including tax and tip, which shall establish the maximum reimbursement for single meals.



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Incidental expenses that are included in the per diem M&IE allowance include fees and tips given to porters, baggage carriers, bellhops and housekeeping.

***Actual Meal Costs***

Actual meal costs are reimbursable and must be accompanied by a detailed receipt listing the items purchased. **Credit card receipts are not acceptable.** The purchase of alcoholic beverages is not reimbursable. If actual meal costs are submitted for reimbursement, the *District* may deny reimbursement for lack of detailed receipt or unreasonable costs. The *District* will reimburse tips up to 18%. Tips of \$3 or less are acceptable regardless of the cost of the meal.

**Communication Expenses:**

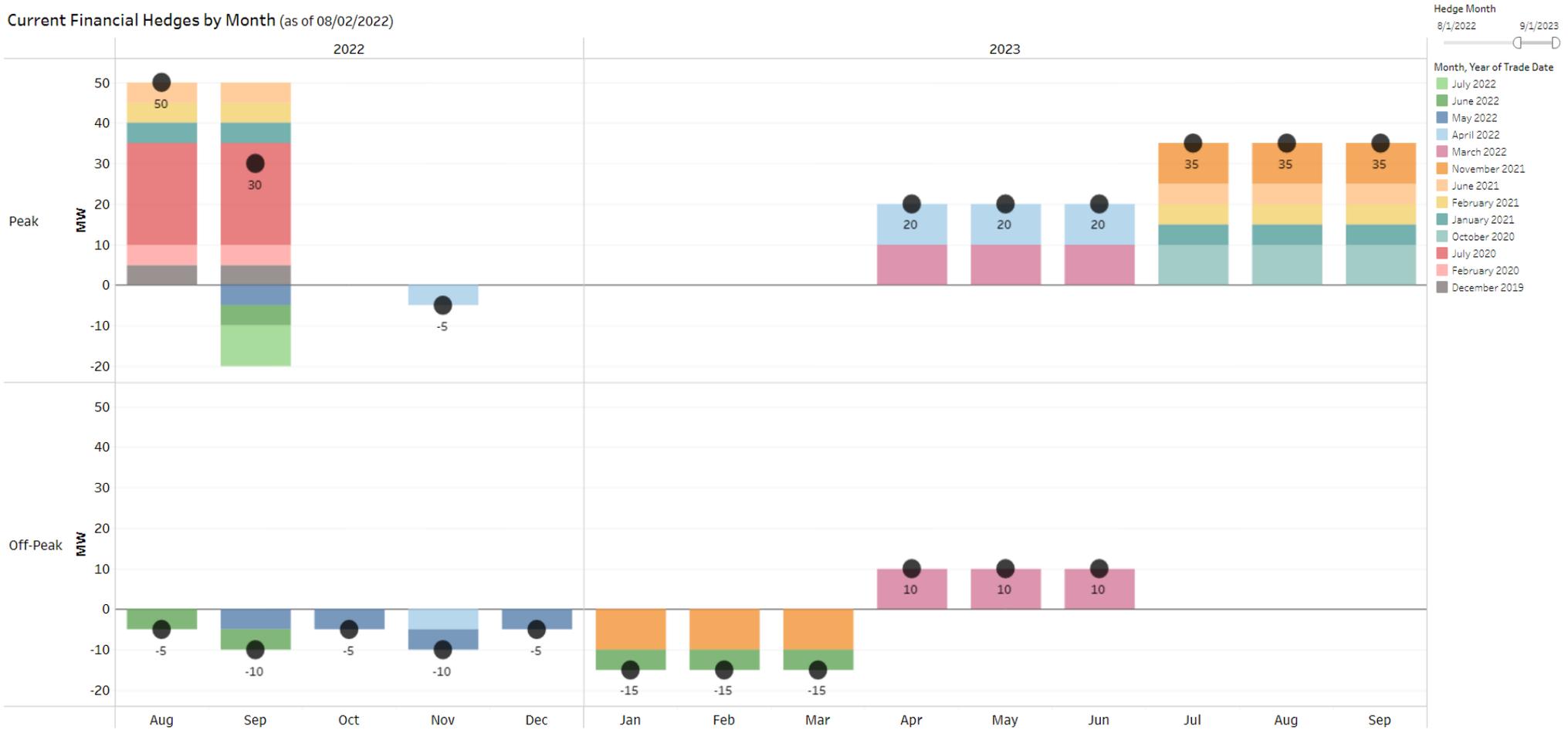
The cost of business telephone calls is reimbursable, including brief calls (up to 5 minutes) to a traveler's home relating to safe arrival, change in travel plans and airport transportation.

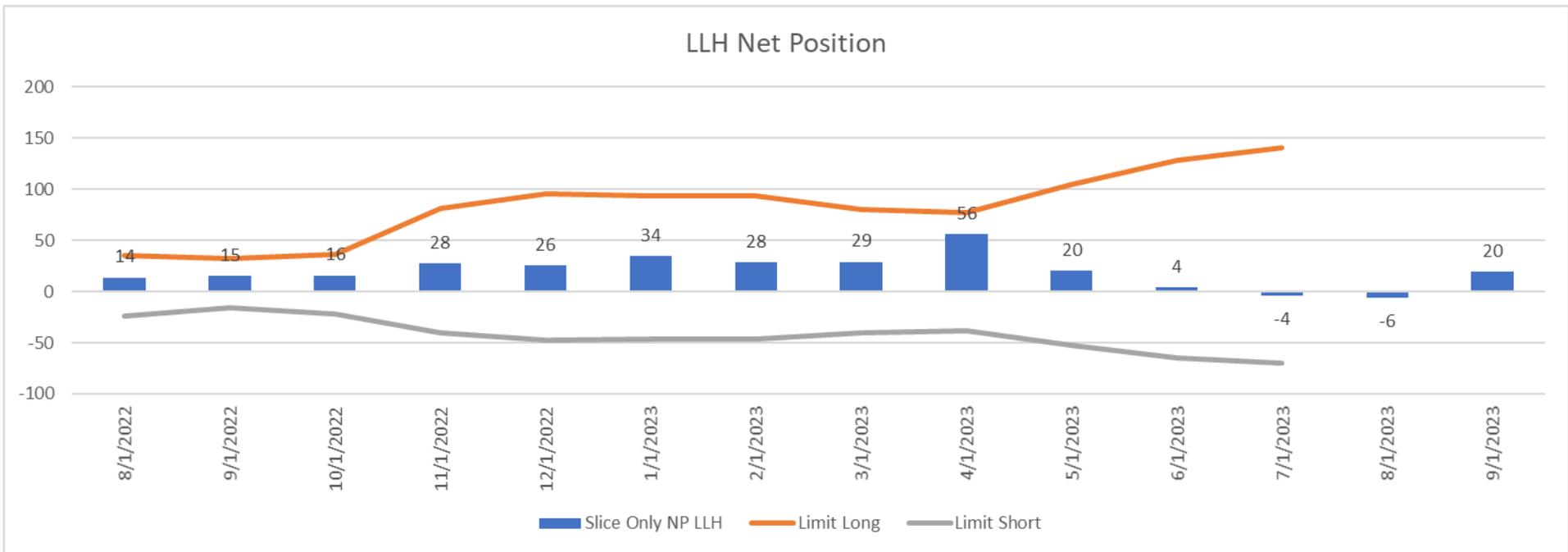
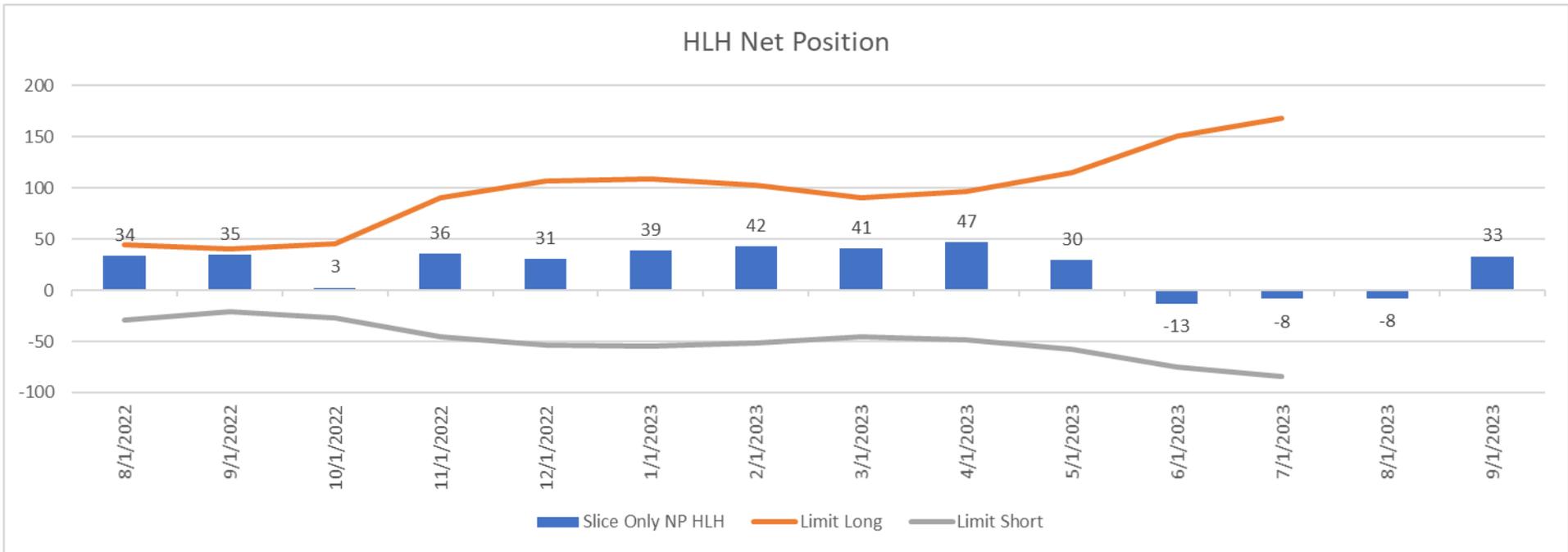
Charges for fax machine and Internet are eligible for reimbursement if *District* business requires such communication.

**Other Expenses:**

Actual costs for reasonable and substantiated business costs are reimbursed for other incidental business expenses not specifically included in the per diem M&IE allowance and not specifically addressed elsewhere.

Current Financial Hedges by Month (as of 08/02/2022)





Current Financial Hedges by Counterparty (as of 08/02/2022)

