

MINUTES

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY REGULAR COMMISSION MEETING

Date: May 14, 2024

Time: 9:00 a.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Jeff Hall, Vice-President
Commissioner Lori Kays-Sanders, Secretary
General Manager Rick Dunn
Senior Director of Finance & Executive Administration Jon Meyer
Assistant General Manager/Sr. Director Engineering & Operations Steve Hunter
Director of Power Management Chris Johnson
Director of IT & Broadband Services Chris Folta
Director of Customer Service and Treasury Keith Mercer
Supv. of Executive Administration/Clerk of the Board Cami McKenzie
Records Program Administrator II Nykki Drake
General Counsel Allyson Dahlhauser

Absent: Commissioner Barry Bush, President (Excused – NWPPA National Conference)

Benton PUD employees present during all or a portion of the meeting, either in person or virtually: Manager of System Engineering Evan Edwards; Supervisor of Distribution Design Michelle Ness; Manager of Procurement Michelle Ochweri; Manager of Customer Service Annette Cobb; Supervisor of Customer Service Kim Maki; Manager of Communications & Government Relations Jodi Henderson; Manager of Human Resources Karen Dunlap; Manager of Business Applications Jennifer Holbrook; Superintendent of Transportation & Distribution Robert Inman; Superintendent of Operations Duane Szendre; Procurement Specialist I Tyson Brown; Senior Engineer Power Management Blake Scherer; Manager of IT Infrastructure Duane Crum; Cyber Security Engineer III Paul Holgate; Manager of Accounting Kent Zirker; Senior Engineer Dax Berven; Brenda Webb, Engineering Administrative Assistant II; Camron Smith, Engineering Intern; Kirsten Norton, Electrical Engineer III.

Call to Order

Commissioner Barry Bush was attending the NWPPA Annual Conference and was excused.

Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

General Manager Rick Dunn said the public hearing to grant the utility easement to the City of Kennewick was no longer needed and there would be approximately one hour of management report items to share.

Public Hearing to Grant Utility Easement to City of Kennewick at 1111 N. Edison Street

Manager Evan Edwards explained that a public hearing was advertised for the request from the City of Kennewick for a utility easement. However, the utility easement was no longer required, and the City had withdrawn its request.

Vice-President Hall opened and closed the public hearing, with no one appearing to comment and the request to grant the utility easement was cancelled.

Public Comment – Regular Meeting

None.

Treasurer’s Report

Keith Mercer, Director of Customer Service and Treasury Operations, reviewed the April, 2024 Treasurer’s Report with the Commission as finalized on May 6, 2024.

Consent Agenda

MOTION: Commissioner Sanders moved to approve the Consent Agenda items “a” through “k”. Commissioner Hall seconded and upon vote, the Commission unanimously approved the following:

- a. Regular Commission Meeting Minutes of April 23, 2024
- b. Travel Report dated May 14, 2024
- c. Vouchers (report dated May 14, 2024) 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 and approved as follows for payment:
Accounts Payable: Automated Clearing House (DD) Payments: 102447-102489 and 102647-102721 in the amount of \$3,665,993.44.
Checks & Customer Refund Payments (CHK): 87761-87843 in the amount of \$460,395.01;
Electronic Fund Transfer (WIRE) Payments: 6944-6960 in the amount of \$5,299,802.30;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$360.00;
Payroll: Direct Deposit – 04/25/2024: 102490-102646 in the amount \$453,447.20;
Voided checks (April, 2024) in the amount of \$2,835.25;
Grand total - \$9,879,997.95
- d. Adoption of Supervisor 401(a) Money Purchase Plan; Resolution No. 2675

- e. Engineering Jobs Report – up to \$100,000
- f. GUM-3 Washington Street Reconductor; Work Order 703687
- g. Surplus of Equipment – Meters; Resolution No. 2677
- h. Surplus of Transformers and Switch Cabinet; Resolution No. 2678
- i. Conservation Rebate Report for 1st Quarter 2024
- j. Project Completion/Acceptance for Paramount Communications – Carma Backbone Fiber Construction Project; Contract #23-46-05
- k. Northwest Energy Efficiency Alliance Funding Agreement; Contract #24-45-02

Management Report

General Manager:

1. Energy Communities Alliance: Building Nuclear Partnerships and Projects, May 8-9; Take Aways - General Manager Rick Dunn reported on his attendance at the ECA forum held at the Tri-Cities Convention Center in Kennewick and said it was encouraging and depressing at the same time with plenty of recognition you cannot achieve carbon free energy goals with just wind and solar. If reducing CO2 globally is the goal, then nuclear must be part of the long-term answer. He said there are serious nuclear supply chain issues that stem from the United States essentially giving up on nuclear many years ago. A recent development was the U.S. eliminating Russia as a nuclear fuel supplier which creates incentives in the U.S. to urgently move on all things nuclear, including mining and fuel fabrication. There were a lot of discussions about commitments to increase nuclear power, but supply chain issues and non-standard components and parts are going to be a major obstacle in the near to mid-term.
2. NWRP Letter re: \$300 million BPA F&W Funding Cap – General Manager Dunn reported that Benton PUD, along with 50 other members, signed a letter by Northwest RiverPartners to Senators and Members of Congress that represent BPA customers, requesting to put a legal cap of \$300 million on BPA’s costs under the Columbia River System Operations (CRSO) settlement agreed to by the US Government in December 2023. The NWRP letter requested the cap language be inserted into the Fiscal Year 2025 Energy and Water Development and Related Agencies bill. The concern is that without the explicit \$300 million cap, the very ambiguous language in the CRSO Agreement could impose additional costs on BPA without any public process. District staff reached out to Congressman Newhouse’s office to ask for his support for the \$300 million cap in 2025 congressional appropriation requests.
3. Dan Newhouse Bills to Protect LSRD – Congressman Newhouse introduced five bills that will be considered in the upcoming session aimed at keeping the Lower Snake River dams intact and restricting the Army Corps of Engineers’ ability to remove them. They include HR 8160/Breaking Irresponsible Energy and Commercial Habits (BREACH) Act; HR 8161/Electric Act; HR 8159/Abandoning Inconsistent and Rash Environmental Solutions (ACRES) Act; HR 8155/Ratepayer Funding Alternative Act; and HR 8156/Queries Act.
4. WPUDA Letter to BPA re: Western Markets – General Manager Dunn said the WPUDA Managers Committee members overwhelmingly supported a WPUDA policy statement and letter to John Hairston, BPA Administrator and CEO, in support of BPA’s process for

considering participation in a western power market expansion and BPA's leaning toward SPP Markets+ as the preferable option.

5. Candidates for PUD Commissioner – General Manager Dunn reported on the candidates that had filed for PUD Commissioner, specifically Barry Bush and Mike Massey for Benton PUD and Stu Nelson and Pedro Torres, Jr. for Franklin PUD. He also mentioned Jim Malinowski, Clark County PUD and Rebecca Wolfe, Snohomish County PUD were not seeking reelection.
6. Speaking at Washington Public Ports Association Skamania Lodge – General Manager Dunn said he was invited to speak at the Washington Public Ports Association on May 16 and would be paired with a PNNL scientist. Additionally, he spoke on May 3 with Identity Clark County (ICC), a nonprofit organization comprised of business leaders seeking to strengthen their community.

Customer Service/Treasury

1. Washington Families Clean Energy Credits Grant (Dept. of Commerce) – Current State of Affairs - Director Keith Mercer gave a presentation on the Washington Families Clean Energy Credits Update and briefly discussed the following: \$200 per household bill credit for low-and moderate-income household; \$2.1 million allocated to Benton PUD (can retain 5% for admin costs), which equals approximately 10,500 households eligible to receive the \$200 credit; communication guidelines for the program; outstanding items include reviewing the Dept. of Commerce contract once we receive it, obtaining a legal opinion as to whether or not the communication guidelines required by the grant violate the Public Disclosure Commission (PDC) rules, and whether or not the District wants to utilize Dept. of Commerce's third party vendor for any verification or outreach efforts. Utilizing a third party vendor would require sharing customer data, which the Commission and staff have several concerns. Director Mercer also reviewed the timeline for the grant, that included all bill credits must be applied to customer's accounts by September 15, 2024.

There was a discussion regarding the creation of an in-house program instead of using the third-party vendor and Mr. Mercer said he would keep the Board apprised of any developments.

Engineering/Operations:

1. BPA Coordinated Transmission Operations – Assistant General Manager Steve Hunter discussed a coordinated effort with BPA to allow Benton PUD employees to assist with BPA transmission outages. They were currently doing this at other utilities that are remote, and it would involve annual training for Benton PUD linemen to operate the BPA equipment instead of waiting for BPA to send someone out. The outlook sounded positive, and they were working on an agreement. Additionally, they were working through a request with BPA to supplement their linemen when a need arose. There were union rules to work through, and it was being reviewed, because BPA was currently calling out assistance from another area.

2. Prosser Outage Schedule – April 2025 – Assistant General Manager Steve Hunter said that BPA wanted to schedule an outage in Prosser in April, 2025. They have an aging structure they want to replace, and he is discussing with BPA the possibility of getting some stubs to reinforce the poles for a few years, as it would defer this replacement.
3. Hosting BPA Tri-Cities Reinforcement Meeting – June 14, 2024 – Assistant General Manager Steve Hunter said that Benton PUD would be hosting the BPA Tri-Cities Transmission Reinforcement Meeting in the auditorium on June 14, 2024 and other local utilities were invited.

IT & Broadband Services:

1. NoaNet Update - Director Chris Folta said the NoaNet member representatives met last week and unanimously approved the resolution to equalize ownership resulting in the District being a 1/9th or 11.111% equal owner.
2. Security Camera Upgrade Project – Manager Jennifer Holbrook said they kicked off the security camera upgrade project in Prosser, which will take several months. Since Prosser is a newer building, it was in better condition to start the project since there is more wiring to do in Kennewick with some original buildings from the 1960’s.
3. Fence Upgrade Project – Manager Jennifer Holbrook said bids for the fence upgrade project were due back on May 15 and they would bring a recommendation to the next meeting. Additionally, the Physical Coordinator position was advertised, 35 applications were received, and would begin the screening and interview process.

The Commission briefly recessed, reconvening at 10:17 a.m.

Other Business

NWPPA Annual Conference

General Manager Dunn mentioned that Kayla Sidwell, Senior Communications Specialist, was attending the conference as a presenter for Benton PUD’s EmPOWERed program.

Business Agenda

Granting Private Utility Easement to Aden Brinkley LLC on Southridge Substation Property – 6190 W. Brinkley Road

Manager Evan Edwards indicated this was previously advertised as a public hearing to grant the easement to the City of Kennewick. However, it was later noted this was a private utility easement request, and a public hearing was not required.

Manager Evan Edwards requested the Commission grant a private utility easement to Aden Brinkley, LLC for a 6” pressured fire water line near the entry to the Brinkley Road entrance of the District’s Southridge substation property. The new fire line will be connected to a new water main installed by the District as part of completed utility relocations necessary to complete

construction at Southridge Substation in 2018. The District will receive consideration of \$1,000.00 (approximately \$1.50/sf) from Aden Brinkley, LLC for this easement.

MOTION: Commissioner Sanders moved to authorize the General Manager or the Assistant General Manager to execute any and all documents necessary to grant a private ten foot utility easement on Southridge Substation Property located at 6190 W. Brinkley Rd in Kennewick, Washington. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

Additional Compensation for Kennewick Duty Supervisors and After-Hours Outage Communications; Resolution No. 2672

HR Manager Karen Dunlap presented a resolution to provide for additional compensation for Kennewick Duty Supervisors and After-Hours Outage Communications. The additional compensation for Kennewick Duty Supervisors for their scheduled after-hours supervisor activities would be based on an annual calculation currently used by the Journeyman Lineman, which would equate to \$138.00 per bi-weekly payroll. The last time the amount was changed was in 2021 at the rate of \$130.00 and the new formula would be calculated annually. The resolution would also formalize a scheduled emergency response and rotation outage for communication activity and provide additional compensation at the same bi-weekly amount to designated non-represented Communication Coordinators. They would execute after-hours outage communications information to customers, news media, and employees and are called to work after-hours to provide frequent communication to customers and the community informing them of emergency and restoration outage response.

MOTION: Commissioner Sanders moved to adopt Resolution No. 2672, Providing for Additional Compensation for Kennewick Duty Supervisors and After-Hours Outage Communications. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

Cancel June 11, 2024 Regular Meeting

Clerk of the Board Cami McKenzie stated that both Commissioner Hall and Commissioner Sanders would be attending the APPA National Conference in San Diego, CA during the week of June 10, 2024 (as discussed at the last meeting) and the regularly scheduled meeting on June 11, 2024 would need to be cancelled. It was confirmed there were no agenda items that need to come before the Commission and recommended the Commission cancel the June 11, 2024 regular meeting.

MOTION: Commissioner Sanders moved to approve cancelling the District's regular Commission meeting scheduled for 9:00 a.m. on June 11, 2024 and directing the General Manager to provide notification to the public of such cancellation. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

2024 Load Forecast; Resolution No. 2673

Senior Engineer Blake Scherer presented the 2024 Load Forecast, stating it was revised annually and was updated for the 2024-2034 planning period. The forecast utilizes historical energy, demand, and customer data to establish a forecasted trend for each customer class and incorporates the expected load reductions associated with the District's conservation program.

The Load Forecast is critical to the District's planning and input into the 2025 budget. It also supports Bonneville Power Administration planning and the regional load forecast prepared by Pacific Northwest Utilities Conference Committee. Highlights included changes to Benton PUD's load caused by changes in customer count and changing use per customer; the forecast of annual retail load has a 10-year net growth of 3.3 aMW; annual increase in customers is 663 per year; and the forecast includes conservation of 11.2 aMW of cumulative conservation by 2034. Additionally, the annual retail load for residential is increasing but usage per customer is declining with non-residential declining, primarily due to conservation.

MOTION: Commissioner Sanders moved to adopt Resolution No. 2673, 2024 Load Forecast for 2024-2034 as presented. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

Adoption of 2024 Energy Independence Act Compliance Reports

Director Chris Johnson presented for approval Benton PUD's 2024 Energy Independence Act (EIA) Renewable Energy and Conservation compliance reports for submittal to the Washington State Department of Commerce, as required to be filed by June 1 of each year.

The 2024 Renewable Energy Report showed that Renewable Energy Credits (RECs) acquired by contract in 2023 and forecasted for 2024 are sufficient to comply with the District's 15% renewable energy requirement target of 31.21 aMW (shown on the report as 273,362 MWh.)

The conservation report also showed overachieving the District's 2022-2023 1.52 aMW target for a total savings of 1.69 aMW.

Additionally, the District is required to provide its customers an option to purchase alternative energy resources. In 2023, 131 customers purchased \$4,693.00 for the District's Green Power Program which equates to 0.54 aMW RECs based on a \$1.00 REC cost.

MOTION: Commissioner Sanders moved to adopt substantially in the form presented, Benton PUD's 2024 Energy Independence Act (EIA) Renewable Energy and Conservation compliance reports for submittal to the Washington State Department of Commerce. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

Performance Measurement – 1st Quarter 2024 Report

Senior Director Jon Meyer presented the Performance Measurement 1st Quarter 2024 Report, stated that 15 of the 17 performance measures were rated green with positive quarterly performance, one was yellow, and one was red. The following performance measures were highlighted by staff:

- Telephone Service Levels (red rating) – Manager Annette Cobb said both the 30 second and 120 second measures were outside normal limits due to a combination of staffing shortages, high bills, and disconnects for non-pay, increasing the number of calls customer service receives. She said they were working with customers a little bit longer, sometimes with multiple phone calls, which impacted the phones. She said they were projecting a green outlook for the next quarter as staff is hired to fill open positions.
- Service Order Process (green rating) – Supervisor Michelle Ness explained this measurement tracked how long it takes to energize a new service. The rating was green. She noted that the number of new services is down as compared to the 1st quarter for the past seven years.
- Rates Comparisons (green rating) – Director Keith Mercer said the measure compared the District’s rates to others in the Northwest and a green rating was issued if it was below the median. He noted that 10 of the benchmark utilities had residential rate increases in Q1 2024.
- O&M/Capital (green rating) – Manager Kent Zirker reviewed actual v. budget for O & M and Capital. O & M was 5% under budget (less than \$.5 million) due to underruns in system costs and dues and assessments. The capital budget had the largest net capital actuals in a quarter in the last 10 years. He noted they were \$2.4 million under budget which is related to the flow of capital projects in budget versus how they are occurring.
- Safety (yellow rating)– Assistant GM Steve Hunter indicated this measure tracked reportable injuries or illnesses as recorded on the OSHA 300 log. There were five incidents reported in the last 12 months, with three dropping off next quarter so they expect a green rating for the outlook.
- Infrastructure Component Reliability (green rating) – Manager Duane Crum said this was green for the quarter, with yellow expected for the outlook. It measured the reliability of eight key infrastructure components. There was an unexpected outage with Outlook, and they were still evaluating the after action review and lessons learned.

State of the System

Assistant General Manager Steve Hunter and Manager Evan Edwards gave a presentation on the State of the System. Objectives discussed included accountability with the Joint Use NESC Compliance Program (pole visitations, violations, and corrections) and quality assurance program (work order inspections 2020-2023 – now 100% inspected); focus on reliability included the farm

underground cable replacements, transmission reliability improvement projects, and major project updates; and the maintenance program included the infrared program, tree trimming, Nine Canyon substation, oil testing, and power transformer wellness testing chart.

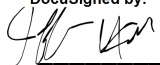
Major project updates discussion included distribution projects for Vista Bay 1 Metalclad Switchgear (under construction), Carma Power Transformer Installation (complete), Hedges Breaker/Battery, Prosser Bay 2 Regulator (delivery scheduled for Fall 2024), Fiber to Carma (complete), Spaw to Phillips, Sunset Road, Webber Canyon, Rattlesnake DOE , Deschutes (complete), East Game Farm Road, Southridge Subdivision, Clearwater growth, East Kennewick growth for the sewer treatment plant, Benton City, and Bowles Road.

Future Planning

General Manager Rick Dunn asked the Commission to provide any upcoming vacations or planned absences for planning future Commission meetings. Commissioner Sanders said she would be gone July 23 and September 10.

Adjournment

Hearing no objection, Vice-President Hall adjourned the meeting at 11:27 a.m.

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Jeffrey Hall, Vice-President

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Lori Kays-Sanders, Secretary