

MINUTES

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

Date: July 9, 2024

Time: 9:00 a.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Barry Bush, President
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

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, Jenny Sparks; Manager of Human Resources Karen Dunlap; Senior Manager of Applied Technology Jennifer Holbrook; Superintendent of Transportation & Distribution Robert Inman; Superintendent of Operations Duane Szendre; Supervisor of Energy Programs Robert Frost; Procurement Specialist I Tyson Brown; Cyber Security Engineer III Paul Holgate; Manager of Accounting, Kent Zirker; Physical Security Coordinator II, Anthony Ciarlo.

Call to Order

The meeting was called to order at 9:00 a.m.

Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

General Manager Dunn said business agenda only has one item and that today's meeting will be about important updates included in the report from management which is expected to take 60 minutes.

Public Comment

None.

Treasurer's Report

Keith Mercer, Director of Customer Service & Treasury Operations, reviewed the June 2024 Treasurer's Report with the Commission as finalized on July 2, 2024.

Consent Agenda

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

- a. Minutes of Regular Commission Meeting of June 25, 2024
- b. Travel Report dated July 9, 2024
- c. Vouchers (report dated July 9, 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: 103584-103661 in the amount of \$1,357,971.79.
Checks & Customer Refund Payments (CHK): 88079-88155 in the amount of \$150,883.15;
Electronic Fund Transfer (WIRE) Payments: 7001-7009 in the amount of \$862,058.37;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$1,800.00;
Payroll: Direct Deposit – 6/20/2024: 103421-103583 in the amount \$460,433.41
Grand total - \$2,833,146.72
- d. Jobs Report for Commission
- e. Work Order 714966 – Clearwater North Phase 1

Management Report

General Manager:

General Manager Rick Dunn reported on the following issues:

1. PPC Letter to Biden – The PPC Executive Committee sent President Biden a letter expressing serious concerns about the announcement of the Columbia River Task Force. The Biden Administration created the Task Force without including utility representation which the PPC letter pointed out is the same pattern of behavior the Administration

exhibited when they ignored PPC efforts to have utility industry perspectives and concerns included in the recent federal mediation process. The PPC letter also highlighted the statutory requirements of the 1980 Northwest Power Act which requires comprehensive engagement with users of the Columbia River System and that breaching of dams or other efforts to further constrain our region's clean hydro system could potentially cause catastrophic service disruptions.

2. PGE Joins EDAM – Portland General Electric (PGE) has officially joined the California Independent System Operator's extended day-ahead market (EDAM). The utility has become the second entity in the West to formally commit to CAISO's day-ahead market. PacifiCorp, the first entity in the West, signed in April.
3. BPA, First-Ready First-Served – The Bonneville Power Administration on June 30 instituted a new process for clearing its interconnection queue backlog and transmission study delays to accelerate transmission development in the region.
4. PSE Peak Capacity Resources RFP – Puget Sound Energy (PSE) issued one of the largest procurement requests in the history of the Northwest for 1,755 megawatts (MW) of summer and 1,573 MW of winter peak capacity. PSE needs the resources by 2030 to address rising demand and to comply with the decarbonization mandates of the Washington's Clean Energy Transformation Act. PSE's summer peak capacity target is more than Seattle City Light's record-high summer peak of 1,533 MW.
5. Heat Wave & Sockeye Salmon – A two-week heat wave forecast is at the peak of adult migration of sockeye and the Idaho Department of Game and Fish is preparing to intervene, if necessary, with an emergency trap-and-haul operation. General Manager said to be prepared for dam breaching advocates to use increasing Snake River water temperatures to their advantage in the media. Manager reminded the Commission that cold water from behind Dworshak Dam is often used to reduce the lower Snake River temperatures and that temperatures above 68 degrees Fahrenheit are often referred to as "hot water". Manager said we should not discount the negative impacts warm water temperatures have on salmon it is important to understand water temperatures in the mountain rivers and streams feeding the Snake River can also rise to lethal levels which has nothing to do with the lower Snake River Dams.
6. BPA Potential Rate Increases – General Manager shared the Bonneville Power Administration's next rate period (BP-26) will be for three years starting on October 1, 2025, and ending September 30, 2028, which is when existing long-term contracts will expire. Manager also shared BPA's initial publication of BP-26 rates include a 13% increase in power and a 14% increase in transmission expenses respectively. These are surprisingly high increases which would have a significant impact on the District's retail rates.

Customer Service/Treasury:

1. Update on \$200 credit – Director Keith Mercer said we signed the contract with Department of Commerce on July 3rd and applications for the \$200 bill credit will hit mailboxes next week.

Engineering/Operations:

1. Hedges Outage – Assistant General Manager/Senior Director Steve Hunter provided photos and reported on the Hedges Substation outage that occurred on June 28th at 6:30am for an hour and 20-minutes. A squirrel was found in the substation and was the cause of the outage. This substation already has a squirrel fence and we are looking at other ways to prevent this from occurring again in the future.
2. Heat Wave Readiness – Assistant General Manager/Senior Director Steve Hunter said Benton PUD has shifted loads around in the Vista Field area during the summertime and we are performing Infrared inspections in substations. He said they talked with BPA Franklin Area Manager about the BPA system this summer and they mentioned BPA is also shifting some loads around during the summer months but are having no issues at this time.

IT/Broadband:

1. OMS and SmartHub Update – Senior Manager of Applied Technology, Jennifer Holbrook provided an update on improvements to our outage communications. On our website there is an outage center for customers to get outage information. NISC is getting ready to release an update to the iPad application the Operations crews use which will allow them to put out status updates during the outage to include when a crew is onsite and the estimated time of restoration. We are also doing a communication campaign for customers to enroll in SmartHub in order to subscribe to power outage updates as well as energy usage.
2. Physical Security Update – Senior Manager of Applied Technology, Jennifer Holbrook introduced our new Physical Security Coordinator, Anthony Ciarlo. She also provided status updates of the new fence and new security cameras. There will be a walkthrough with our general contractor for the fence this week and the fence install will be starting next week. Cameras have been installed on the buildings, except in the lobby. Those cameras will be replaced with the remodel of the lobby.

The Commission recessed, reconvening at 10:15 a.m.

Finance/Executive Administration:

1. Financial Reports - Senior Director Jon Meyer provided the Commission with a financial report for June 2024. A discussion took place about BPA recently released its initial Integrated Program Review (IPR) for rate period. The IPR represents BPA’s capital and expense budget and is the major component to rates. The initial IPR is showing a significant increase in costs that translate to the potential for a 13% increase in BPA’s Tier 1 power rates and a 14% increase in BPA’s transmission rates. The rate case process will take place in the Fall of 2024. He informed the Commissioners that staff will provide a financial forecast in August that includes various BPA scenarios.
2. Benton PUD Newsletter General Service Demand Charge - Senior Director Jon Meyer informed the Commissioners that we are planning to send a newsletter to general service customers informing them about the upcoming rate structure change.

Business Agenda

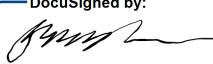
Cancellation of July 23, 2024, Regular Commission Meeting

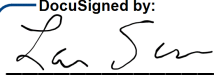
Supervisor of Executive Administration/Clerk of the Board Cami McKenzie presented on cancelling the July 23, 2024 regular meeting. Both Commissioner Hall and Commissioner Sanders will be absent for the regularly scheduled meeting on July 23, 2024, and the Clerk of the Board has confirmed there are no agenda items that need to come before the Commission on July 23, 2024. In the event action is required prior to the next regularly scheduled Commission meeting on August 13, 2024, a special meeting of the Commission can be called by the President of the Commission.

MOTION: Commissioner Sanders moved to cancel the July 23, 2024, Commission meeting. Commissioner Hall seconded and upon vote, the motion carried unanimously.

Adjournment

Hearing no objection, President Bush adjourned the meeting at 10:37 a.m.

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Barry Bush, President

ATTEST:
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Lori Kays-Sanders, Secretary