AGENDA
BENTON COUNTY PUBLIC UTILITY DISTRICT NO. 1
COMMISSION MEETING

Tuesday *September 26, 2017* *9:00 a.m.*
2721 West 10th Ave., Kennewick

1. Pledge of Allegiance

2. Public Comment
(Public in attendance should read the "Guidelines for Public Participation at Commission Meetings", available the day of the meeting, or at www.bentonpud.org, Guidelines.

3. **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) Commission Minutes of September 12, 2017. *(pg.2)*
b) Periodic Travel Report dated September 26, 2017. *(pg.9)*
c) Vouchers dated September 26, 2017. *(pg.10)*
d) Resolution No. 2424, Setting Policy Regarding Procedures for Reporting Alleged Improper Governmental Actions and Protecting Employees from Retaliation. *(pg.18)*
e) Bank of America/Merrill Lynch, Contract Change Order – Extend term and increase not-to-exceed amount. *(pg.25)*
f) Work Order No. 514002 – Prior #3, New Regulator and Recloser. *(pg.30)*
g) Work Order No. 129071 – Highlands Bay 3 Metalclad and Differential Relay Protection Installation. *(pg.32)*
h) Vista & Orchardview Node Cabinet Replacement, Bid Package No. 17-10 – Contract Award Recommendation. *(pg.34)*

4. **REPORT FROM MANAGEMENT**

5. **BUSINESS AGENDA**

a) Resolution No. 2425, Amending the 2017 Budget
Action Item/Kevin White *(pg.35)*

b) 2018 Pole Attachment Rate Information
Info. Only/Rick Dunn *(pg.46)*

c) August 2017 Financial Statements
Info. Only/Kent Zirker *(pg.48)*

6. Other Business
7. Future Planning
8. Meeting Reports
9. Executive Session

(To request an accommodation to attend a commission meeting due to a disability, contact wennerm@bentonpud.org, or call (509) 582-1227, and the District will make every effort to reasonably accommodate identified needs.)

PUBLIC UTILITY DISTRICT NO. 1
OF
BENTON COUNTY

Date: September 12, 2017
Time: 9:00 a.m.
Place: 2721 West 10th Avenue, Kennewick, Washington

Attendees:
Commissioners Bush, Hall and Sanders
General Manager Bartram
Assistant General Manager Hunter
Legal Counsel Dahlhauser
Senior Director of Engineering and Power Management Dunnrtd
Director of Finance Meyer
Director of Customer Programs and Services Ball
Manager of Communications and Governmental Relations Miller
Manager of Human Resources Wenner
Manager of Power Resources Johnson
Manager of Contracts and Purchasing Ochweri
Manager of Accounting Zirker
Manager of Information Technology Folta
Manager of Applications and Integrations Holbrook
Manager of Risk Management and Treasury White
Manager of Key Accounts McAloon
Supervisor of System Engineering Edwards
Power/Energy Programs Analyst Dykes
Power/Energy Programs Analyst Mapes
Communications Specialist Henderson
Supervisor of Executive Administration Cole

Guest: Darryl Olson, Columbia/Snake River Irrigator's Association (CSRIA)
Public Comment: Tyson Fellman

The Pledge of Allegiance was given.

Public Comment
Mr. Tyson Fellman expressed his appreciation for a recent meeting with the Director of Finance, Jon Meyer. He submitted a paper entitled, "Economic concerns about high fixed charge pricing for electric service". A discussion was held on thoughts surrounding alternate rate structures and cost of service methodologies. Mr. Fellman concluded his comments by stating his concern was the use of the minimum system methodology in the District's cost of service which he feels is not justified, and that the District should use an alternate method.

Resolution No. 2420, Amending Retail Electric Rate Schedules
Director of Finance thanked Mr. Fellman for his recent meeting, and informed the Commission that no other public comments have been received regarding the proposed rate changes. Staff recommends the Commission adopt Resolution No. 2420, authorizing a 1.9% revenue increase effective October 1, 2017.

Motion by Lori Sanders, seconded by Jeff Hall adopting Resolution No. 2420, amending Retail Electric Rate Schedules effective October 1, 2017.
MOTION CARRIED UNANIMOUSLY.

Safety Minute
Supervisor of Executive Administration gave a safety minute presentation on bicycle safety and "sharing the road".

Treasurer's Report
Treasurer reviewed the August 2017 Treasurer's Report. The Commission accepted the August 2017 Treasurer's Report. The counterparty credit and sector reports were distributed and briefly discussed.

Consent Agenda
Motion by Lori Sanders, seconded by Jeff Hall to approve the Consent Agenda as follows:
a) Approving Commission Meeting Minutes of August 22, 2017.
b) Approving Periodic Travel Report dated September 12, 2017.
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 64308-64330 64491-64555 in the total amount of $1,006,293.22, Checks and Customer Refund payments (CHK) 71609-72071 in the total amount of $1,149,601.11, Electronic Fund Transfer (WIRE) payments 4246-4268 in the total amount of $8,842,772.18; Payroll: Direct Deposit 08/24/17 64331-64490 in the total amount of $327,374.29, for a grand total of $11,326,040.80. For August 2017, voided checks in the total amount of $270.08 were included on the report.
d) Authorizing the General Manager, on behalf of the District, to sign Contract Completion and Acceptance for Wood Pole Inspection and Treatment by Pacific Pole Inspection, LLC, Contract No. 16-22, (CPO 50386), in the amount of $154,159.27, including tax.
e) Authorizing the General Manager, on behalf of the District, to sign Change Order No. 20, Third Amended and Restated Resource Management Agreement of Contract No. 06-51-11 with The Energy Authority, Inc. (TEA).
f) Approving Resolution No. 2421, adopting a Code of Ethics for Benton PUD.
g) Declaring General Pacific/Kerite non-responsive and awarding Contract No. 17-09 for #2-15kV URD Cable to WESCO/Okonite of Portland, Oregon, in the amount of $167,607.00, plus Washington State sales tax in accordance with RCW 54.04.080.

Resolution Periodic Review

h) Continuing Resolution No. 1894 providing for adjustment of compensation for Kennewick and Prosser Duty Supervisors.

i) Continuing Resolution No. 2343, authorizing a Succession of Authority during the Planned Absence or Temporary Disability of the General Manager.

j) Adopting Resolution No. 2422, amending the Governance of the Benton PUD Commission.

Low Income Energy Conservation Program (LIECP)

k) Authorizing the General Manager, on behalf of the District, to sign Change Order No. 1 for each contract, extending the term of each contract to September 30, 2019, and increasing the not-to-exceed amount by $50,000, bringing the new not-to-exceed amount of each contract to $150,000, for the following: Contract No. 15-45-10, Intermountain West; Contract No. 15-45-09, Perfection Glass; Contract No. 15-45-11, Smith Insulation; Contract No. 15-45-08, Tri-City Glass, Inc.

l) Authorizing the General Manager, on behalf of the District, to sign Change Order No. 1 for Contract No. 15-45-13 with Jacobs and Rhodes, Inc., to extend the term of the contract to September 30, 2019, and to increase the not-to-exceed amount by $100,000, bringing the new not-to-exceed amount of the contract to $200,000.

m) Authorizing the General Manager, on behalf of the District, to sign Change Order No. 2 for Contract No. 15-45-19 with Delta Heating & Air Conditioning, to extend the term of the contract to September 30, 2019, and to increase the not-to-exceed amount by $100,000, bringing the new not-to-exceed amount of the contract to $220,000.

Residential Energy Efficiency Program (REEP)

n) Authorizing the General Manager, on behalf of the District, to sign Change Order No. 1 for each contract to amend and add additional qualifications of the contractors, extend the term of each contract to September 30, 2019, and increase the not-to-exceed amount by $50,000, bringing the new not-to-exceed amount of each contract to $150,000, for the following: Contract No. 15-45-32, Air-Tight Remodeling; Contract No. 15-45-34, All Assured Electric, Inc., Contract No. 15-45-59, Americool Heating & Air; Contract No. 15-45-39, Bruce, Inc., Contract No. 15-45-31, CK Home Comfort Systems, Contract No. 15-45-42, Chinook Heating and AC; Contract No. 15-45-46, Glass Nook/Speedy Glass; Contract No. 15-45-47, High Desert Glass, LLC.; Contract No. 17-45-05, Huminsky's Heating; Contract No. 15-45-49, Intermountain West; Contract No. 15-45-15, Panchos Heating & Cooling; Contract No. 15-45-53, Roberts Construction; Contract No. 15-45-54, Smith Insulation; Contract No. 15-45-55, Tony's Albrecht Glass; Contract No. 15-45-56, Total Energy Management; Contract No. 15-45-57, Total Quality Air, LLC.; Contract No. 15-45-58, Tri-City Glass; Contract No. 15-45-30, VPI Home Solutions.

o) Authorizing the General Manager, on behalf of the District, to sign Change Order No. 1 for each contract to amend and add additional qualifications of the contractors, extend the term of each contract to September 30, 2019 and increase the not-to-exceed amount by $100,000, bringing the new not-to-exceed amount of each contract to $200,000 for the following: Contract No. 15-45-33, A-One Refrigeration & Heating, Inc.; Contract No. 15-45-36, Apollo Sheet Metal; Contract No. 15-45-38, Bob Rhodes Heating & AC.; Contract 15-45-44,

Delta Heating & Cooling, Inc.; Contract No. 15-45-50, Jacobs & Rhodes, Inc.; Contract No. 15-45-52, Perfection Glass.

p) Authorizing the General Manager, on behalf of the District, to sign Change Order No. 3 for Contract No. 15-45-40 with M. Campbell and Company, to amend and add additional qualifications of the contractor, extend the term of the contract to September 30, 2019, and increase the not-to-exceed amount by $100,000, bringing the new not-to-exceed amount of the contract to $330,000.

q) Authorizing the General Manager, on behalf of the District, to sign Change Order No. 2 for Contract No. 15-45-43 with Dayco Heating & AC, to amend and add additional qualifications of the contractor, extend the term of the contract to September 30, 2019, and increase the not-to-exceed amount by $100,000, bringing the new not-to-exceed amount of the contract to $300,000.

MOTION CARRIED UNANIMOUSLY.

Columbia-Snake River Irrigators Association Discussion

Mr. Darryl Olsen, Columbia-Snake River Irrigator's Association (CSRIA), gave a presentation on an alternative to the Columbia-Snake River Endangered Species Act litigation. Commissioner Lori Sanders discussed Mr. Olsen possibly attending an energy forum hosted by Energy Northwest.

At 10:15 a.m., President Barry Bush announced that the commission meeting would recess for 10 minutes.

At 10:25 a.m., President Barry Bush reconvened the commission meeting into regular open public session.

Management Report

General Manager:

1. A letter from Secretary of Energy Rick Perry was distributed. The letter discusses the massive changes in the electrical industry and the regulatory paradigm, and concludes that we must utilize the most effective combination of energy sources to achieve long-term, reliable American energy security.

2. The draft E3 study sponsored by the Public Generating Pool (PGP) and co-funded by Benton PUD is complete and preliminary results have been distributed. The results validate the Public Power Council's position. The final report will be briefed on September 21, 2017. The District participated in the first phase of the study for $20,000. An additional $10,000 may be requested for the next phase and staff recommended the Commission concur with phase 2 participation. The Commission concurred to continue participation in the E3 study phase 2.

Senior Director of Engineering and Power Management briefly reviewed the study, naming five scenarios as: stay on existing course, high RPS, carbon cap, carbon tax, no new gas.

Senior Director of Engineering and Power Management:

1. Senior Director reported attending a meeting of PPC and PNUCC last week, with discussions held on fish operations and program costs.
2. The economics of the dams and environmental groups making claims for the removal of the dams were discussed. Senior Director handed out rebuttal reference material from the Public Power Council (PPC).
3. Senior Director held a brief discussion on bringing conduit into new residential subdivisions for future broadband potential, stating it would cost approximate 10% of the total cost of a residential project. Commissioner Lori Sanders urged staff to meet with the Home Builders association on this issue.

Assistant General Manager:

1. Two outages that occurred Sunday, September 9, 2017, in the downtown Kennewick area were discussed.

Manager of Key Accounts:

1. The three remaining meter upgrades have been completed. These meters were not upgraded during the actual meter upgrade project due to initial customer concerns.
2. Under billing errors occurred with five net metering customers due to a configuration issue that was not identified during the conversion to NISC. The customers will be backbilled.

Power/Energy Programs Analyst:

1. The Governor released a statement announcing the Washington Department of Transportation grant awardees, including Benton PUD. Contractual negotiations with Greenlots is near completion, and other agreements and construction scheduling will be accomplished next.
2. A white paper developed by staff entitled, "Electric Vehicle (EV) Charging Stations was distributed.

Manager of Applications and Integrations:

1. A power outage at NISC was again experienced which led to the system being unavailable to customers. NISC is developing a plan and determining how to avoid future outages.

Manager of Power Resources:

1. Options are being discussed by the Bonneville Power Administration on Cowlitz PUD's reduced load forecast and its potential impact to other BPA customers.
2. It was reported that The Energy Authority (TEA) is operating normally during their relocation from Jacksonville to Atlanta due to Hurricane Irma. No significant impacts occurred as a result of the relocation.

Manager of Human Resources:

1. A draft resolution on the District's whistleblower policy, last adopted October 2013, was distributed. The resolution is reorganized with no substantive changes. The resolution will be brought to an upcoming commission meeting for consideration.

Business Agenda

Resolution No. 2423, Voluntary Participation in Washington State's New Renewable Energy System Cost Recovery Program

Power & Energy Programs Analyst Dykes gave a Solar Connections update that reviewed federal and state incentives, the program history, Senate Bill 5939 and impacts on the District's incentive program. The new law ends the current incentive rates for new renewable energy systems installed before June 30, 2017 and creates a new incentive program with new rates starting July 1, 2017.

Motion by Jeff Hall, seconded by Lori Sanders adopting Resolution No. 2423, Voluntary Participation in Washington State's New Renewable Energy System Cost Recovery Program.
MOTION CARRIED UNANIMOUSLY.

Work Order No. 513091, New Distribution Feeder at Sunset Road Substation

Supervisor of System Engineering distributed a map showing the District's existing distribution lines in the Badger Canyon and Cottonwood Springs areas along with the number of customers that could not be served in the event a Reata substation transformer failure occurred during extreme peak winter loading like was experienced in January of 2017. Approximately 596 customers would remain de-energized until the mobile substation could be installed.

The proposed work order establishes a new distribution feeder at the District's existing Sunset Road substation which will help mitigate the outage impacts of a Reata Substation transformer failure and reduce the number who would be out of power without the mobile substation to approximately 453 customers.

Motion by Lori Sanders, seconded by Jeff Hall approving Work Order No. 513091 for establishing a new distribution feeder at the District's existing Sunset Road substation.
MOTION CARRIED UNANIMOUSLY.

NESC Compliance and Cable Replacement Construction Project, Bid Package No. 17-07, Contract Award Recommendation

Senior Director of Engineering and Power Management recommended the Commission award a contract for Joint Use – NESC Compliance and Cable Replacement Project. The contract will provide the District with the labor resources needed to implement the JU-NESC Compliance Program work plan while also supplementing our construction labor workforce to ensure proactive and timely replacement of underground cable and other projects.

Motion by Lori Sanders, seconded by Jeff Hall awarding Contract No. 17-07 for Joint Use – NESC Compliance and Cable Replacement Construction Project to DJ's Electrical, Inc. of Battle Ground, Washington, for the total amount of $1,728,232.00, plus Washington State sales tax in accordance with RCW 54.04.080, with an expiration date of September 30, 2018.
MOTION CARRIED UNANIMOUSLY.

Senior Director introduced the District's newest employee, Mrs. Nancy Lang, Distribution Designer.

Future Planning
Commissioner Sanders stated she would not be in attendance at the first October commission meeting.

Hearing no objection, President Barry Bush adjourned the Commission Meeting at 11:40 a.m.

_____
Barry A. Bush, President

ATTEST:

_____
Lori Kays-Sanders, Secretary

DRAFT

Periodic Travel Report - September 26, 2017

Date Start	Business Days	Name	City	Purpose
9/14/2017	2	Ball, Paula	Spokane, WA	WA STATE UTILITIES LIHEAP ROUNDTABLE
9/20/2017	3	Edwards, Evan	Oshkosh, WI	METALCLAD SWITCHGEAR FOR HIGHLANDS BAY 3 WITNESS TESTING
9/20/2017	3	Szendre, Duane	Oshkosh, WI	METALCLAD SWITCHGEAR FOR HIGHLANDS BAY 3 WITNESS TESTING
9/21/2017	1	Dunn, Rick	Seattle, WA	E3 CARBON STUDY EXECUTIVE SESSION
9/21/2017	1	Bartram, Chad	Seattle, WA	E3 CARBON STUDY EXECUTIVE SESSION
10/19/2017	2	Frost, Steve	Long Beach, WA	EAST WEST SUPERINTENDENTS OPERATIONS MEETING
10/22/2017	5	Zones, Austin	Dallas, TX	SENSUS REACH 2017 CONFERENCE
10/22/2017	4	Crum, Duane	Dallas, TX and Tukwila, WA	SENSUS REACH 2017 CONFERENCE / PURMS CYBERSECURITY WORKSHOP
10/22/2017	5	Gaston, Todd	Cle Elum, WA	CASCADE USERS GROUP
11/2/2017	1	Folta, Chris	San Jose, CA	SCADA MONITORING SCREENS DEMONSTRATION
11/2/2017	1	Tharp, John	San Jose, CA	SCADA MONITORING SCREENS DEMONSTRATION
11/2/2017	1	Hunter, Steve	San Jose, CA	SCADA MONITORING SCREENS DEMONSTRATION

PAYMENT APPROVAL
September 26, 2017

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
Accounts Payable:					
Automated Clearing House (DD) Payments	64716	-	64756	1 - 2	$ 1,065,094.09
Checks & Customer Refund Payments (CHK)	72072	-	72170	3 - 5	$ 418,059.79
Electronic Fund Transfer (WIRE) Payments	4273	-	4284	6	$ 1,897,547.62
Residential Conservation Rebates:					
Credits on Customer Accounts				7	$ 1,460.00
Payroll:					
Direct Deposit 09/07/17	64556	-	64715		$ 323,502.18
TOTAL					**$ 3,705,663.68**
Void DD				1	$ 461.31
Void Checks					$ -
Void Wires					$ -

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 — *Date* 9/18/17

Reviewed by:

Chad B. Bartram, General Manager

Approved by:

Barry A. Bush, President

Jeffrey D. Hall, Vice-President

Lori Kays-Sanders, Secretary

Accounts Payable
Check Register

09/04/2017 To 09/17/2017

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
64542	08/30/2017	DD	44	GLASS NOOK, INC.	REEP	461.31VOID
64716	09/07/2017	DD	1736	A W REHN & ASSOCIATES	Flex Spending Health/Dependent Care	3,253.08
64717	09/07/2017	DD	963	ANIXTER INC.	Switch Gear	142,863.30
64718	09/07/2017	DD	811	AUS WEST LOCKBOX	weekly svc	156.23
64719	09/07/2017	DD	34	BENTON PUD-ADVANCE TRAVEL	JSOC Mtg	726.55
64720	09/07/2017	DD	3750	CLIFF THORN CONSTRUCTION	remove wallpaper/ele plugs/paint - Fin	9,606.76
64721	09/07/2017	DD	3820	COLEMAN OIL COMPANY	gasoline svc	10,592.23
64722	09/07/2017	DD	57	CONSOLIDATED ELECTRICAL DISTRIB	Conn Plate	233.90
64723	09/07/2017	DD	375	DAYCO HEATING & A/C	REEP	500.00
64724	09/07/2017	DD	3742	EMPLOYMENT SCREENING SERVICES, I	SCREENING SVC	110.00
64725	09/07/2017	DD	79	GENERAL PACIFIC, INC.	Pedestal 600mcm	1,529.71
64726	09/07/2017	DD	867	JODY A GEORGE	CWPU UIP Qtr Mtg	139.10
64727	09/07/2017	DD	3018	HRA VEBA TRUST	MSA / VEBA Trust - ER	22,500.00
64728	09/07/2017	DD	1818	IBEW LOCAL 77	IBEW Dues Assessment	8,368.97
64729	09/07/2017	DD	3837	PLANETERIA MEDIA LLC	websit hosting 08/17	200.00
64730	09/07/2017	DD	3067	STOEL RIVES, LLP	Professional Svc	937.50
64731	09/07/2017	DD	1163	TYNDALE ENTERPRISES, INC.	clothing - B seger	333.56
64732	09/07/2017	DD	1048	UNITED WAY OF BENTON & FRANKLIN	EE United Way Contribution	768.46
64733	09/07/2017	DD	3098	US BANK CORPORATE PAYMENT SYST	Auto Shop P-Card	69,588.04
64734	09/07/2017	DD	4168	WALKER & ASSOCIATES INC.	Material	754.78
64735	09/07/2017	DD	575	WELLS FARGO BANK	09/17 Insurance	214,918.65
64736	09/07/2017	DD	3619	MELINA WENNER	WPUDA HR Roundtable	362.32
64737	09/07/2017	DD	182	WESCO DISTRIBUTION	Cross Plate Anchor	3,512.89
64738	09/13/2017	DD	963	ANIXTER INC.	Mount Cluster	6,967.62
64739	09/13/2017	DD	811	AUS WEST LOCKBOX	weekly billing	178.17
64740	09/13/2017	DD	1328	CHAD BARTRAM	Portland Group / PPC / PNUCC Mtg	571.12
64741	09/13/2017	DD	36	BENTON PUD - REVOLVING FUND-MAI	08/17 Revolving Fund	2,025.65
64742	09/13/2017	DD	613	CAMPBELL & COMPANY	REEP	2,900.00
64743	09/13/2017	DD	460	CDW GOVERNMENT, INC.	Maint Bypass Cab	1,388.99
64744	09/13/2017	DD	2985	CHINOOK HEATING & AIR, INC.	REEP	1,000.00
64745	09/13/2017	DD	2680	CO-ENERGY	Gasoline svc	818.81
64746	09/13/2017	DD	375	DAYCO HEATING & A/C	REEP	500.00
64747	09/13/2017	DD	3836	EPICOR SOFTWARE CORPORATION	discuss testing & date phase 2	0.00
64748	09/13/2017	DD	3175	FRONTIER COMMUNICATIONS NW INC.	monthly billing	88.20
64749	09/13/2017	DD	79	GENERAL PACIFIC, INC.	Material	987.22
64750	09/13/2017	DD	724	HERITAGE PROFESSIONAL LANDSCAPI	Landscaping Svc	3,959.56

Accounts Payable
Check Register

09/04/2017 To 09/17/2017

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
64751	09/13/2017	DD	1632	INTERCONTINENTAL EXCHANGE, INC.	ICE Trade Vault Charges 08/17	375.00
64752	09/13/2017	DD	103	KENNEWICK, CITY OF	08/17 Occupation Tax	488,532.84
64753	09/13/2017	DD	2027	KUFFEL, HULTGRENN, KLASHKE AND	Professional Svc	3,988.64
64754	09/13/2017	DD	110	MCFARLAND CASCADE CO.	Cedar Penta Butt Trt	32,297.64
64755	09/13/2017	DD	1241	PARAMOUNT COMMUNICATIONS, INC.	Overturf Kia	18,972.85
64756	09/13/2017	DD	4168	WALKER & ASSOCIATES INC.	Material	7,124.44

Total Payments for Bank Account - 1 :	(41)	1,064,632.78
Total Voids for Bank Account - 1 :	(1)	461.31
Total for Bank Account - 1 :	(42)	1,065,094.09

Accounts Payable
Check Register

09/04/2017 To 09/17/2017

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
72072	09/07/2017	CHK	259	BENTON FRANKLIN COMMUNITY ACTI	Help Hands	2,322.56
72073	09/07/2017	CHK	54	BNSF RAILWAY COMPANY	Contract #96074 - O.H. Wireline Xing	700.00
72074	09/07/2017	CHK	3384	C&E TRENCHING, LLC	trench and backfill - St Michelle	17,796.24
72075	09/07/2017	CHK	44	GLASS NOOK, INC.	REEP	461.31
72076	09/07/2017	CHK	10054	KRIEGMAN LAW OFFICE, PLLC	Professional Svc	14,183.55
72077	09/07/2017	CHK	10119	LEIDOS ENGINEERING, LLC	Lighting Energy Efficiency Prg	6,024.00
72078	09/07/2017	CHK	2176	PACIFIC OFFICE AUTOMATION, INC.	MONTHLY BILLING	968.51
72079	09/07/2017	CHK	141	RICHLAND, CITY OF	Radio Site Mgmt	3,037.77
72080	09/07/2017	CHK	3441	TRAVIS PATTERN & FOUNDRY INC.	AL WELD TERM / 2 HOLE PAD 90 DEG	101.74
72081	09/07/2017	CHK	992	VERIZON NORTHWEST	monthly billing	342.82
72082	09/07/2017	CHK	171	WA STATE DEPT RETIREMENT SYS	PERS EE Contributions	103,262.24
72083	09/07/2017	CHK	437	WASH STATE DEPT SUPPORT REGIST	Garnishment - Child Support	50.36
72084	09/07/2017	CHK	1137	WASHINGTON FINANCE OFFICERS ASS	Registration Zirker - GAAP	375.00
72085	09/07/2017	CHK	99999	RASHA AHMAD	Cred Bal Refund	65.05
72086	09/07/2017	CHK	99999	CORINA BARAJAS	Cred Bal Refund	63.51
72087	09/07/2017	CHK	99999	RICHARD A BARTON	Cred Bal Refund	141.84
72088	09/07/2017	CHK	99999	MIGUEL M BAUTISTA	Cred Bal Refund	43.21
72089	09/07/2017	CHK	99999	MATHEW BROOKS	Cred Bal Refund	111.46
72090	09/07/2017	CHK	99999	JOSEFINA CARDENAS MORFIN	Cred Bal Refund	112.06
72091	09/07/2017	CHK	99999	TYLER J CASE	Cred Bal Refund	91.77
72092	09/07/2017	CHK	99999	ELI P ELISONDO	Cred Bal Refund	34.12
72093	09/07/2017	CHK	99999	YOUSIF A ELTOOM	Cred Bal Refund	24.44
72094	09/07/2017	CHK	99999	MIKE A HIGUERA	Cred Bal Refund	338.89
72095	09/07/2017	CHK	99999	DENNIS W HINER SR	Cred Bal Refund	70.10
72096	09/07/2017	CHK	99999	ROSELENA HUINIL	Cred Bal Refund	30.88
72097	09/07/2017	CHK	99999	AMANDA M JAMISON	Cred Bal Refund	43.07
72098	09/07/2017	CHK	99999	NAYLEA JIMENEZ	Cred Bal Refund	89.68
72099	09/07/2017	CHK	99999	ALEXANDER JOHNSON	Cred Bal Refund	84.68
72100	09/07/2017	CHK	99999	KIMBER JORDAN	Cred Bal Refund	94.16
72101	09/07/2017	CHK	99999	OMAR LEDESMA	Cred Bal Refund	133.59
72102	09/07/2017	CHK	99999	DEAN B LITTLE JR	Cred Bal Refund	69.86
72103	09/07/2017	CHK	99999	MARIA C MADRIGAL MERAZ	Cred Bal Refund	63.05
72104	09/07/2017	CHK	99999	LUZ A MANRIQUE ARIAS	Cred Bal Refund	28.65
72105	09/07/2017	CHK	99999	CAROL Z MITZ	Cred Bal Refund	117.97
72106	09/07/2017	CHK	99999	DERLY N MUNOZ-MARIN	Cred Bal Refund	50.73
72107	09/07/2017	CHK	99999	BELEN M NUNO	Cred Bal Refund	164.55

Accounts Payable
Check Register

09/04/2017 To 09/17/2017

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
72108	09/07/2017	CHK	99999	GUADALUPE PARRA	Cred Bal Refund	84.77
72109	09/07/2017	CHK	99999	JOAQUIN RAMIREZ	Cred Bal Refund	11.56
72110	09/07/2017	CHK	99999	JACQUELYNNE M SANDOVAL	Cred Bal Refund	72.08
72111	09/07/2017	CHK	99999	TODD F SHEPARD	Cred Bal Refund	339.89
72112	09/07/2017	CHK	99999	JUSTIN SILVEIRA	Cred Bal Refund	64.12
72113	09/07/2017	CHK	99999	KELSIE TAYLOR	Cred Bal Refund	72.60
72114	09/07/2017	CHK	99999	TEACHER'S WORLD LLC	Cred Bal Refund	57.40
72115	09/07/2017	CHK	99999	EDELMIRA TRUJILLO MERAZ	Cred Bal Refund	14.66
72116	09/07/2017	CHK	99999	GARY L VAN DINTER	Cred Bal Refund	158.74
72117	09/07/2017	CHK	99999	ALLISON M VERING	Cred Bal Refund	30.79
72118	09/07/2017	CHK	99999	DAVID B VILLAGOMEZ	Cred Bal Refund	42.50
72119	09/07/2017	CHK	99999	MEGAN WOOFTER	Cred Bal Refund	26.38
72120	09/07/2017	CHK	99999	ELFADIL YAHYA ISHAG ADAM	Cred Bal Refund	12.49
72121	09/07/2017	CHK	99999	MEAGHEN ZAREMBA-TRIMBLE	Cred Bal Refund	94.21
72122	09/13/2017	CHK	10073	A-LINE PAVING, LLC	Sales Tax Adjustment for Inv #17-084B	45.00
72123	09/13/2017	CHK	10107	ABERDEEN LLC	storage server/rack server/material	17,005.00
72124	09/13/2017	CHK	10074	AIR REPS, LLC	Daikin Air Cooled Scroll Compressor Chil	63,207.37
72125	09/13/2017	CHK	215	ALLAN ELECTRIC	office remodel	1,131.84
72126	09/13/2017	CHK	258	APOLLO MECHANICAL CONTRACTORS	REEP	1,700.00
72127	09/13/2017	CHK	689	BENTON FRANKLIN COMMUNITY ACTI	LIECP	8,528.49
72128	09/13/2017	CHK	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	23,853.59
72129	09/13/2017	CHK	2988	BRUCE MECHANICAL, INC.	REEP	700.00
72130	09/13/2017	CHK	32	CITY OF BENTON CITY	08/17 Occupation Tax	11,246.07
72131	09/13/2017	CHK	2831	CORRECTIONAL INDUSTRIES	Cubicles	19,612.27
72132	09/13/2017	CHK	3029	DELTA HEATING & COOLING, INC.	REEP	4,800.00
72133	09/13/2017	CHK	4154	ESTATE OF MARTHA A. SHREVE	2017 Solar Incentive GEN17.24742	754.10
72134	09/13/2017	CHK	508	KENNEWICK SCHOOL DISTRICT	2017 Renewable Energy Incentive	658.95
72135	09/13/2017	CHK	310	MOON SECURITY SERVICES, INC.	patrol - ops bldg 2	270.00
72136	09/13/2017	CHK	3539	NEWGEN STRATEGIES AND SOLUTION	COSA	3,250.00
72137	09/13/2017	CHK	962	PACIFIC POWER	monthly billing	437.84
72138	09/13/2017	CHK	4231	PAUL A. ACKER	2017 Renewable Energy Incentive	901.80
72139	09/13/2017	CHK	128	PERFECTION GLASS, INC.	REEP	963.99
72140	09/13/2017	CHK	135	PROSSER, CITY OF	08/17 Occupation Tax	35,484.14
72141	09/13/2017	CHK	1592	REESE CONCRETE PRODUCTS MFG. INC	Vault Base	5,973.00
72142	09/13/2017	CHK	141	RICHLAND, CITY OF	08/17 Occupation Tax	1,233.31
72143	09/13/2017	CHK	10042	SHELLY HANSEN CERTIFIED SIGN LAN	Interperter svc	76.07

Accounts Payable
Check Register

09/04/2017 To 09/17/2017

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
72144	09/13/2017	CHK	149	SMITH INSULATION, INC.	LIECP	1,708.60
72145	09/13/2017	CHK	2699	TOTAL ENERGY MANAGEMENT & HVA	replacement rooftop HVAC unites Prosser	19,517.63
72146	09/13/2017	CHK	3006	TRI-CITY GLASS, INC.	REEP	346.68
72147	09/13/2017	CHK	193	UNITED PARCEL SERVICE OF AMERICA	mailing svv	335.86
72148	09/13/2017	CHK	988	WASH STATE DEPT NATURAL RESOUR	Lease Agreement for Jump off Joe	38,160.20
72149	09/13/2017	CHK	100	WASTE MANAGEMENT OF WASHINGT	monthly billing	1,550.94
72150	09/13/2017	CHK	99999	MARTIN AMBRIZ	Cred Bal Refund	375.16
72151	09/13/2017	CHK	99999	ANADELIA M BARRERA	Cred Bal Refund	15.64
72152	09/13/2017	CHK	99999	MICHAEL BONNETT	Cred Bal Refund	86.11
72153	09/13/2017	CHK	99999	LISA L CORBIN	Cred Bal Refund	98.50
72154	09/13/2017	CHK	99999	EDGAR R FACIO	Cred Bal Refund	125.12
72155	09/13/2017	CHK	99999	MICHAEL HEITSTUMAN	Cred Bal Refund	123.13
72156	09/13/2017	CHK	99999	LAURA HERNANDEZ	Cred Bal Refund	25.07
72157	09/13/2017	CHK	99999	PAUL M HOLLAND	Cred Bal Refund	118.84
72158	09/13/2017	CHK	99999	JASON KAHLER	Cred Bal Refund	70.38
72159	09/13/2017	CHK	99999	AMY LONGSTREET	Cred Bal Refund	33.81
72160	09/13/2017	CHK	99999	MICHAEL MARTYNOWICZ	Cred Bal Refund	21.27
72161	09/13/2017	CHK	99999	LETICIA MENDOZA	Cred Bal Refund	33.79
72162	09/13/2017	CHK	99999	JARED MERRICK	Cred Bal Refund	22.16
72163	09/13/2017	CHK	99999	PASCALINE MIDDLETON	Cred Bal Refund	54.58
72164	09/13/2017	CHK	99999	MARIELA MORALES	Cred Bal Refund	72.28
72165	09/13/2017	CHK	99999	LEONILA OCHOA-BELTRAN	Cred Bal Refund	52.41
72166	09/13/2017	CHK	99999	PEDRO RODRIGUEZ ORTIZ	Cred Bal Refund	159.20
72167	09/13/2017	CHK	99999	EDGAR M SANDOVAL	Cred Bal Refund	50.68
72168	09/13/2017	CHK	99999	HEIDI B TREMBLY	Cred Bal Refund	48.09
72169	09/13/2017	CHK	99999	JEFF R TRUMAN	Cred Bal Refund	103.65
72170	09/13/2017	CHK	99999	JEFFREY VINES JR	Cred Bal Refund	141.57

Total Payments for Bank Account - 2 :	(99)	418,059.79
Total Voids for Bank Account - 2 :	(0)	0.00
Total for Bank Account - 2 :	(99)	418,059.79
Grand Total for Payments :	(140)	1,482,692.57
Grand Total for Voids :	(1)	461.31
Grand Total :	(141)	1,483,153.88

Accounts Payable
Check Register

ALL

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference			Amount
4273	09/01/2017	WIRE	925	KLICKITAT COUNTY PUD	TX White Crk / Rock Crk 07/17			4,078.02
4274	09/05/2017	WIRE	10084	CITI MERCHANT SERVICES	08/17 Merchant Fees			24,419.78
4275	09/07/2017	WIRE	1567	ICMA RETIREMENT CORP	457/401 Employee Contribution			55,740.15
4276	09/15/2017	WIRE	1680	MORGAN STANLEY	Purchased Power 08/17			17,883.18
4277	09/07/2017	WIRE	2205	UNITED STATES TREASURY	Federal Income Tax			141,872.93
4278	08/24/2017	WIRE	246	BONNEVILLE POWER ADMIN	Transmission 07/17			931,916.00
4279	09/06/2017	WIRE	246	BONNEVILLE POWER ADMIN	Final Transmission 07/17			94,554.00
4280	09/15/2017	WIRE	2570	THE ENERGY AUTHORITY, INC.	Power Activity 08/17			325,119.72
4281	09/15/2017	WIRE	3194	EDF TRADING NORTH AMERICA, LLC	Purchased Power 08/17			248,800.00
4282	09/15/2017	WIRE	3844	MACQUARIE ENERGY N. AMERICA TRA	Purchased Power 08/17			52,350.36
4283	08/21/2017	WIRE	169	ENERGY NORTHWEST	Rent - 09/17			403.28
4284	08/31/2017	WIRE	10052	JACK HENRY & ASSOCIATES, INC.	ACH processing			410.20
						Total for Bank Account - 1 :	(12)	1,897,547.62
						Grand Total :	(12)	1,897,547.62

BENTON PUD - RESIDENTIAL CONSERVATION REBATE DETAIL

Date	Customer	Rebate Amount	Rebate Description
09/05/2017	Wilson, Dale	$ 20.00	Rebate - Energy Star Clothes Washer
09/05/2017	Wilson, Dale	$ 50.00	Rebate - Energy Star Clothes Dryer
09/05/2017	Beddeson, Julie	$ 20.00	Rebate - Energy Star Clothes Washer
09/05/2017	Beddeson, Julie	$ 50.00	Rebate - Energy Star Clothes Dryer
09/05/2017	Price, Cristine	$ 20.00	Rebate - Energy Star Clothes Washer
09/08/2017	Pierce, Ian	$ 20.00	Rebate - Energy Star Clothes Washer
09/08/2017	Pierce, Ian	$ 50.00	Rebate - Energy Star Clothes Dryer
09/08/2017	Leavitt, Spencer	$ 20.00	Rebate - Energy Star Clothes Washer
09/08/2017	Laliberte, Brandi	$ 20.00	Rebate - Energy Star Clothes Washer
09/08/2017	Laliberte, Brandi	$ 50.00	Rebate - Energy Star Clothes Dryer
09/08/2017	Diaz Sanchez, Juana	$ 500.00	Rebate - Energy Star Water Heater
09/08/2017	White, Gary	$ 20.00	Rebate - Energy Star Clothes Washer
09/08/2017	White, Gary	$ 50.00	Rebate - Energy Star Clothes Dryer
09/14/2017	Blazon, Mariylyn	$ 500.00	Rebate - Energy Star Water Heater
09/15/2017	Gusler, Jill	$ 20.00	Rebate - Energy Star Clothes Washer
09/15/2017	Gusler, Jill	$ 50.00	Rebate - Energy Star Clothes Dryer
		$ 1,460.00	

BENTON P·U·D

	Business Agenda
	Second Reading
✓	*Consent Agenda*
	Info Only/Possible Action
	Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Resolution No. 2424, Setting Policy Regarding Procedures for Reporting Alleged Improper Governmental Actions and Protecting Employees from Retaliation	
Agenda Item No:	3d	
Meeting Date:	September 26, 2017	
Presented by:	Melina Wenner MW	*Staff Presenting Item*
Approved by (dept):	Chad B. Bartram	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration:
Motion to adopt Resolution No. 2424, Setting a Policy Regarding Procedures for Reporting Alleged Improper Governmental Actions and Protecting Employees from Retaliation.

Recommendation/Background
On October 22, 2013, the Commission adopted Resolution No. 2243, establishing policy and procedures for reporting alleged improper governmental actions and protecting employees from retaliation.

The District periodically reviews and provides updates to resolutions and policies for review by the Commission. After reviewing Resolution No. 2243, management recommends condensing and reorganizing the policy. The policy content remains in compliance with the Local Government Whistleblower Protection Act, RCW 42.41.

The attached resolution affirms the District's commitment to promote a workplace in which employees are encouraged to internally report in good faith their concerns regarding alleged improper governmental actions and a workplace that is free from retaliation for good faith reporting of allegations of improper governmental actions. This resolution will supersede Resolution No. 2243.

Summary
Recommend the Commission adopt Resolution No. 2424, Setting a Policy Regarding Procedures for Reporting Alleged Improper Governmental Actions and Protecting Employees from Retaliation, effective September 26, 2017.

Fiscal Impact
No fiscal impact.

Resolution No. 2424

September 26, 2017

PROCEDURES FOR REPORTING ALLEGED IMPROPER GOVERNMENTAL ACTIONS

AND PROTECTING EMPLOYEES AGAINST RETALIATION

WHEREAS, The Commission desires the employees of Benton PUD, ("the District") to work in accordance with the safety, fiduciary responsibilities and other proper duties of a public entity; AND

WHEREAS, The Commission desires the District promote a workplace in which employees are encouraged to internally report in good faith their concerns regarding alleged improper governmental actions and a workplace that is free from retaliation for good faith reporting of allegations of improper governmental actions; AND

WHERAS, The Commission desires to adopt a policy and procedures that are in accordance with requirements codified in Chapter 42.41 RCW; AND

WHEREAS, The Commission on October 22, 2013 adopted Resolution No. 2243 establishing policy and procedures for reporting improper governmental actions and protecting employees against retaliation and directing the General Manager to develop and communicate such procedures, ; AND

WHEREAS, The Commission will periodically review and update such policy and procedures, and directs the General Manager to ensure the policy and procedures are consistently implemented.

NOW THEREFORE BE IT RESOLVED By the Commission of Public Utility District No. 1 of Benton County that the attached policy be approved, effective September 26, 2017.

BE IT FURTHER RESOLVED That the attached policy be provided to all newly hired employees, periodically trained to existing employees, and posted in the employee break rooms in the Kennewick Administration, Kennewick Operations and Prosser Branch offices, and on the District's electronic employee intranet page.

BE IT FURTHER RESOLVED That this Resolution supercedes Resolution No. 2243 and all other Resolutions and Directives pertaining to the same policies herein.

ADOPTED By the Commission of Public Utility District No. 1 of Benton County at an open public meeting, with notice of such meeting being given as required by law, this 26nd day of September 2017.

_____

Barry Bush, President

ATTEST:

_____

Lori Kays-Sanders, Vice-President

PROCEDURES FOR REPORTING ALLEGED IMPROPER GOVERNMENTAL ACTIONS AND PROTECTING EMPLOYEES AGAINST RETALIATION

Resolution No. 2424

September 26, 2017

PURPOSE

Benton PUD's Commission and Management take the safety, fiduciary responsibilities and other duties of a public entity, through its employees and officers, very seriously. This policy is written to encourage employees to raise concerns of alleged improper governmental action made in good-faith within Benton PUD prior to seeking resolution outside of the District, to establish procedures for this reporting, and to provide procedures for reporting alleged retaliation under Resolution No 2424.

BACKGROUND

This policy and procedure is based on the Local Government Whistleblower Protection law, Chapter 42.41 RCW, which is in place to encourage employees of a local governmental agency to make "good-faith" reports of alleged improper governmental action of local government officials and employees, protect local government employees who make good-faith reports through this procedure, and provide remedies for such individuals who are subjected to retaliation for having made such reports.

No District employee or official may use his or her official authority or influence, directly or indirectly, to threaten, intimidate, or coerce an employee for the purpose of interfering with an employee's right to disclose information concerning an alleged improper governmental action.

Utilizing this procedure is important. Chapter 42.41 RCW states that employees who do not make good-faith attempts to follow this policy to report alleged improper governmental action shall not receive the "whistleblower" protections of that law.

MAKING A COMPLAINT OF IMPROPER GOVERNMENTAL ACTION

Improper Governmental Action is defined as any action by a local governmental officer or employee that is undertaken in the performance of the officer's or employee's official duties, whether or not the action is within the scope of the employee's employment; and is:

- in violation of any federal, state, or local law or rule, except as noted below;
- an abuse of authority;
- of substantial and specific danger to the public health or safety; and/or
- a gross waste of public funds.

Note: *Improper governmental action as defined above DOES NOT include actual or alleged personnel actions, including but not limited to employee grievances, complaints, appointments, promotions, transfers, assignments, reassignments, reinstatements, restorations, reemployments, performance evaluations, reductions in pay, dismissals, suspensions, demotions, violations of local government collective bargaining and civil service laws, alleged labor agreement violations, or reprimand or any action that can be taken under the Public Employees Collective Bargaining Act. These types of complaints are to be brought to the employee's Director, the Manager of Human Resources, the Assistant General Manager, or the General Manager or as otherwise provided by law.*

Emergency Situations: In the case of an emergency as defined below, you may make a report to any of the following:

- Any member of District management
- Any member of the Commission
- The appropriate external governmental agency with responsibility for investigating the alleged improper governmental action (see Attachment A)

An **Emergency** is defined within this procedure as a circumstance that if not immediately changed may cause additional and material damage to persons or property if not promptly addressed. An employee may make this complaint verbally or in writing, using the District's "Report of Alleged Improper Governmental Action" form, which is located on the Intranet, in Human Resources, or from the employee's Director, and submitting it directly to any of the above individuals.

Non-Emergency Situations: Employees are encouraged, but not required, to first verbally discuss with their immediate supervisor issues they believe may relate to alleged improper governmental action. An employee may submit a written complaint form at any time without prior verbal discussion; however, in most cases, the employee's supervisor is in the best position to address an area of concern, and the employee's concern may be clarified and resolved to his/her satisfaction without initiating a written complaint. If these informal means do not resolve the issue, a written report should be made as set forth below.

In accordance with Chapter 42.41 RCW, prior to reporting an issue relating to alleged improper governmental actions to entities outside of the District or the Prosecuting Attorney, except in the case of an emergency as defined above, employees are first required to submit a written report to Benton PUD in accordance with this policy. Chapter 42.41 RCW states that employees who fail to make a good-faith attempts to follow this policy shall not receive the "whistleblower" protections of that law.

In non-emergency situations, the written report of the employee's complaint should be made by using the District's "Report of Alleged Improper Governmental Action" form (located on the Intranet, in Human Resources, or from the employee's Director) and submitting it directly to one of the following individuals based on the nature of the allegations:

1) Reporting is made directly to any one of the following except as provided below:
   - Department Director
   - Manager of Human Resources
   - District Ethics Officer
   - District Auditor
   - Assistant General Manager
   - General Manager

2) If the matter in question involves a Director, Manager of Human Resources, or District Ethics Officer, provide the report directly to one of the following:
   - District Auditor
   - Assistant General Manager
   - General Manager

3) If the matter in question involves the District Auditor, provide the report directly to one of the following:
   - General Manager
   - Any member of the Benton PUD Commission

4) If the matter in question involves the General Manager, provide the report directly to one of the following:
   - District Auditor
   - Any member of the Benton PUD Commission

5) If the matter in question involves a member of the Commission, provide the report directly to one of the following:
   - District Auditor
   - General Manager

Investigation of an alleged improper governmental action by a Commission member may be referred to an outside agency in lieu of the investigatory process defined below, at the discretion of the District Auditor or General Manager.

Confidentiality:
Unless the reporting employee authorizes the disclosure of his/her identity in writing, the District will make every reasonable effort to keep his/her identity confidential to the extent possible under law but cannot guarantee strict confidentiality. In some instances, it may be impractical to maintain confidentiality in conducting a thorough investigation. As such, the District may during the course of the investigation, and with the approval of the District Ethics Officer or District Auditor, disclose the employee's identity to specifically selected individuals if such disclosure is necessary to ensure a full and proper investigation of the allegations.

Investigation of Complaint:
The District's investigative process begins when an employee reports an emergency situation and/or provides written notification to designated District representatives, utilizing the District's form "Reporting of Alleged Improper Governmental Action".

The District will designate an investigator (the Manager of Human Resources or the District Auditor, or a third party as determined by the District) to conduct the investigation, and investigate promptly.

After the District has completed its investigation, the reporting employee and, if applicable, the employee or employees about whom the allegation was made will receive a final concluding report, verbally or in writing, as determined by the District. The report will exclude employee identities and personnel actions taken as a result of the investigation to the extent reasonably possible and as allowed by law. If the employee chooses to remain anonymous when submitting his/her report form, the District will be unable to provide the employee a concluding report.

Following the investigation, if an employee reasonably believes that additional investigation or action is needed, the employee is encouraged to communicate this to the individual that was responsible for investigating the alleged violation or directly to any member of the Benton PUD Commission. If the employee remains dissatisfied with the investigation results or action taken, the employee may also

report concerns regarding an alleged improper governmental action to the appropriate governmental agency with responsibility for investigating the improper action (See Attachment A).

Making a Complaint of Retaliation:

The District, its employees and officers, are prohibited from taking retaliatory action against an employee if an employee has in good-faith reported an alleged improper governmental action or provided information in accordance with this procedure, even in cases where the original concern is determined to be unfounded. **Retaliatory Action** is defined as any adverse change in the status or terms and conditions of a District employee's employment, or hostile actions by another employee towards a District employee that are encouraged by a supervisor or senior manager or official.

If an employee believes that he/she has been retaliated against by a District employee or officer as a result of reporting an alleged improper governmental action, he/she is to immediately submit a written report of the alleged retaliation using the "Report of Alleged Whistleblower Retaliation" (located on the Intranet, in Human Resources, or from the employee's Director) and submitting it directly to one of the following individuals listed above in the ***Non-Emergency Situations Section*** of this document.

The written notice of complaint must be provided as described above no later than thirty (30) days after the occurrence of the alleged retaliatory action. The District will respond within thirty (30) calendar days to the charge of retaliatory action.

If employee believes that the District has not satisfactorily resolved a retaliation complaint or if the employee is in disagreement with the response, the employee may request a Hearing by a State of Washington Administrative Law Judge within fifteen (15) calendar days of the District's response, or within fifteen (15) calendar days of the last day on which the District could responds, by making a written request to the General Manager or District Auditor.

Upon written receipt of the employee's request for a Hearing, within five (5) business days, the District will apply to the State Office of Administrative Hearings for an adjudicative proceeding before an Administrative Law Judge. The employee must prove his/her claim by a preponderance of the evidence in the Hearing. The Administrative Law Judge will issue a final decision no later than forty-five (45) calendar days after the date of the request for Hearing, unless an extension of time is granted.

At the conclusion of the Hearing, the Administrative Law Judge has authority (if applicable) to grant the employee reinstatement to his or her job position, with or without back pay, and injunctive relief. The Administrative Law Judge may award costs and reasonable attorneys' fees to the prevailing party, as well as other remedies provided by RCW 42.41.040.

Policy Violations

Violations, including failure of a Supervisor, Manager or Director to properly escalate an allegation of alleged improper governmental action or retaliation, or an employee intentionally submitting false and/or malicious reporting, may result in disciplinary action, up to and including termination of employment.

Questions

Any questions about this policy or the District's procedures as defined in this policy are to be directed to the Manager of Human Resources or the District Auditor.

ATTACHMENT A

INTERNAL REPORTING CONTACTS – BENTON PUD

Title	Name	Contact
District's Ethics Officer	Melina Wenner	wennerm@bentonpud.org
Manager of Human Resources	Melina Wenner	wennerm@bentonpud.org
District's Auditor	Jon Meyer	meyerj@bentonpud.org
District's Assistant General Manager	Steve Hunter	hunters@bentonpud.org
District's General Manager	Chad Bartram	bartramc@bentonpud.org
Benton PUD Commissioners	Barry Bush	bbush@bentonpud.org
	Jeff Hall	jhall@bentonpud.org
	Lori Sanders	lsanders@bentonpud.org

CITY, COUNTY, STATE AND FEDERAL ENFORCEMENT AGENCIES FOR REPORTING OF IMPROPER GOVERNMENTAL ACTION

Benton County Prosecuting Attorney
7320 W.Quinault Ave.
Kennewick, WA 99336
(509) 735-3591

Attorney General
Kennewick Office
500 N. Morain, Suite 1250
Kennewick, WA 99336
(509) 734-7285

Washington State Auditor
P.O. Box 40021
Olympia, WA 98504-0021
Information - (360) 902-0370
toll-free number - (866) 902-3900

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

COMMISSION MEETING AGENDA ITEM

Subject:	Contract Change Order #8 – Bank of America/Merrill Lynch – Contract #04-16-02	
Agenda Item No:	3e	
Meeting Date:	September 26, 2017	
Presented by:	Kevin White KW	*Staff Presenting Item*
Approved by (dept):	Jon Meyer JM	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration

Motion to authorize the General Manager on behalf of the District to sign Change Order #8 of Contract #04-16-02 with Bank of America / Merrill Lynch, to extend the term of the contract to December 31, 2018 and increase the not-to-exceed amount by $40,000.00; bringing the new not-to-exceed amount to $560,000.00.

Background

The Commission approved a five-year contract with Bank of America for treasury services on September 28, 2004. The treasury services contract has been extended through Commission action with the most recent extension occurring in December 2014 to extend the term through December 2017. In 2009, Bank of America recognized Benton PUD as a preferred existing customer and offered a revised pricing proposal to reduce our banking service fees and in October 2015 offered to continue those reduced fees through 2017. Bank of America has now agreed to continue the low pricing for another one year through 2018. The proposal was reviewed with District staff in August and the formal proposal has now been received.

Bank of America provides a $10 million line of credit which expires December 31, 2018. The contract provisions for the line of credit are dependent on having a treasury services agreement in place and by extending the treasury services contract one year, it aligns the two contract terms through 2018. An evaluation will be conducted in 2018 to determine the best path forward with the treasury services and line of credit agreements post 2018.

Summary

This motion will accept the pricing proposal offered by Bank of America and extend the treasury services agreement through December 31, 2018 with the ability to extend by mutual consent.

Fiscal Impact

Banking service fees are included in the annual budget. Increase the NTE amount of the contract by $40,000 to $560,000.

Public Utility District No. 1 of Benton County, Washington

Agreement Extension Pricing for Banking Services

This Agreement for Government Banking Services (the "Agreement") is made as of this ___ day of _____, 2017, between Public Utility District No. 1 of Benton County, Washington (the "Client") and Bank of America, N.A., a national banking association.

WHEREAS, the parties wish to enter into this Agreement for the purpose of specifying the term and constituent documents of the agreement between Client and Bank regarding Banking Services; as set forth and defined in the Bank's Treasury Terms and Conditions booklet.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties hereby agree as follows:

1. Integrated Agreement: The entire and integrated agreement between Client and Bank related to the Services shall consist of this Agreement and the Bank's Treasury Terms and Conditions booklet (including user documentation and set-up forms). The integrated agreement supersedes all prior negotiations, representations, statements and agreements, whether written or oral, regarding the Services.

   Bank of America's Treasury Terms and Conditions booklet:
   http://corp.bankofamerica.com/public/public.portal?_pd_page_label=more/treasurytermsconditions/default

2. Commencement of Performance: Except as otherwise agreed by the parties, Bank shall begin performing each Service upon execution and delivery of this Agreement, the pertinent service-level agreement and the related set-up forms. Bank shall continue to perform such Services during the term of this Agreement.

3. Term: This Agreement is for a duration of one year from January 1, 2018 to December 31, 2018, unless terminated sooner as set forth herein. The Agreement may be extended by mutual consent of the parties, herein and signed by their authorized representatives.

4. Pricing: The agreed pricing is unchanged from the pricing currently in place as set forth in the most recent Agreement dated January 1, 2015. A copy of the current pricing is attached.

5. Termination: This Agreement may be terminated by either party upon (60) day's written notice to the other party.

In witness whereof, the parties have executed this Agreement as of the date first written above.

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON		**BANK OF AMERICA MERRLL LYNCH**	
Signature:	_____	Signature::	_____
Name:	Stephen B. Hunter	Name:	Ian Alexander Johnston
Title:	Assistant General Manager	Title:	SVP, Senior Client Manager
Address:	2721 West 10th Ave.	Address:	800 5th Ave, 34th Floor
City:	Kennewick, WA 99336	City:	Seattle, WA 98104

Public Utility District No. 1 of Benton County, Washington
Agreement Extension Pricing for Banking Services

Banking Services Extension Agreement Pricing Approval and Acknowledgement by:

Benton County PUD *Treasurer & Risk Manager*

Benton PUD
Proposed Pricing Comparison

SERVICE	UNITS/ITEMS	Current Pricing		Proposed Pricing with extension agreement to 12/31/18		Difference
		UNIT PRICE	TOTAL CHARGE	UNIT PRICE	TOTAL CHARGE	
Balance Related Services						
Deposit Insurance - Bank Assessment	2,884.55	$0.1461	$421.43	$0.1461	$421.43	$0.00
Total Balance Related Services			**$421.43**		**$421.43**	
Depository Services						
Account Maintenance	5	$3.0000	$15.00	$3.00	$15.00	$0.00
ZBA Master Account Maintenance	1	$0.0000	$0.00	$0.00	$0.00	$0.00
ZBA Subsidiary Account Maintenance	2	$15.0000	$30.00	$15.00	$30.00	$0.00
ZBA per Transaction	21	$0.0000	$0.00	$0.00	$0.00	$0.00
Debits Posted Electronic	71	$0.0000	$0.00	$0.00	$0.00	$0.00
Debits Posted Other	8	$0.0000	$0.00	$0.00	$0.00	$0.00
Credits Posted Electronic	342	$0.0000	$0.00	$0.00	$0.00	$0.00
General Checks Paid Truncated	169	$0.0500	$8.45	$0.05	$8.45	$0.00
Deposit Account Statements	24	$0.0000	$0.00	$0.00	$0.00	$0.00
Check Deposit - ICL or RDSO	37	$0.1200	$4.44	$0.12	$4.44	$0.00
Image Deposited Items - ICL	10,855	$0.0300	$325.65	$0.03	$325.65	$0.00
Transmission Maintenance	1	$150.0000	$150.00	$150.00	$150.00	$0.00
Stop Pay Manual	3	$8.0000	$24.00	$8.00	$24.00	$0.00
Returns Chargeback	12	$7.0000	$84.00	$7.00	$84.00	$0.00
Returns Reclear	12	$0.0000	$0.00	$0.00	$0.00	$0.00
Returns - Reclear Services	1	$0.0000	$0.00	$0.00	$0.00	$0.00
Total Depository Services			**$641.54**		**$641.54**	**$0.00**
Commercial Deps - Cash Vault						
Vault Deposit	13	$0.1200	$1.56	$0.1200	$1.56	$0.00
Curr/Coin Dep/$100 VLT	21	$0.0400	$0.84	$0.0400	$0.84	$0.00
Currency Supp/$100 Nonstd VLT	38	$0.0850	$3.23	$0.0850	$3.23	$0.00
Coin Supplied/Roll-VLT	109	$0.0400	$4.36	$0.0400	$4.36	$0.00
Safe Connect Currency Dep - $100	5,495	$0.0300	$164.85	$0.0300	$164.85	$0.00
Safe Connect Svs Monthly Maint	2	$60.0000	$120.00	$60.0000	$120.00	$0.00
Change Order-Auto or Stndg-VLT	8	$0.0000	$0.00	$0.0000	$0.00	$0.00
Total Commercial Deps- Cash Vault Svs			**$294.84**		**$294.84**	**$0.00**
General ACH Services						
ACH Monthly Maintenance	5	$0.0000	$0.00	$0.00	$0.00	$0.00
ACH Transmission Setup/Test	1	$50.0000	$50.00	$50.00	$50.00	$0.00
ACH On Us Credits	28	$0.0500	$1.40	$0.05	$1.40	$0.00
ACH Off Us Credits	504	$0.0609	$30.69	$0.0609	$30.69	$0.00
ACH On Us Credits - Same Day	16	$0.0500	$0.80	$0.05	$0.80	$0.00
ACH Off Us Debits	600	$0.0500	$30.00	$0.05	$30.00	$0.00
ACH On Us Debits	2	$0.0500	$0.10	$0.05	$0.10	$0.00
ACH On Us Debits - Same Day	72	$0.0500	$3.60	$0.05	$3.60	$0.00
ACH Originated Addenda	832	$0.0100	$8.32	$0.01	$8.32	$0.00
ACH Blocks Auth Instructions	13	$0.0000	$0.00	$0.00	$0.00	$0.00
ACH Blocks Auth Maintenance	3	$8.0000	$24.00	$8.00	$24.00	$0.00
ACH Blocks Auth Add-Change	2	$15.0000	$30.00	$15.00	$30.00	$0.00
ACH Debit Received Item	65	$0.0000	$0.00	$0.00	$0.00	$0.00
ACH Credit Received Item	333	$0.0000	$0.00	$0.00	$0.00	$0.00
ACH Return Item	6	$1.5000	$9.00	$1.50	$9.00	$0.00
ACH Output File	1	$0.0000	$0.00	$0.00	$0.00	$0.00
ACH Input File	18	$10.0000	$180.00	$10.00	$180.00	$0.00
ACH Notif of Change (NOC)	5	$2.5000	$12.50	$2.50	$12.50	$0.00
ACH Optional Reports - Electronic	36	$0.0000	$0.00	$0.00	$0.00	$0.00
ACH Standard Reports - Electronic	11	$0.0000	$0.00	$0.00	$0.00	$0.00
Total General ACH Services			**$380.41**		**$380.41**	**$0.00**

Benton PUD
Proposed Pricing Comparison

SERVICE	UNITS/ITEMS	Current Pricing		Proposed Pricing with extension agreement to 12/31/18		Difference
		UNIT PRICE	TOTAL CHARGE	UNIT PRICE	TOTAL CHARGE	
Wire Transfer Services						
CPO GP Mthly Maint Basic	1	$0.0000	$0.00	$0.00	$0.00	$0.00
CPO GP Accts Entitled	1	$0.0000	$0.00	$0.00	$0.00	$0.00
Elec Wire Out-Domestic	18	$5.0000	$90.00	$5.00	$90.00	$0.00
Elec Wire Out-Book DB	2	$2.5000	$5.00	$2.50	$5.00	$0.00
Elec Wire Out USD Int'l	1	$10.0000	$10.00	$10.00	$10.00	$0.00
Incoming Domestic Wire	8	$4.0000	$32.00	$4.00	$32.00	$0.00
Book Credit	1	$0.0000	$0.00	$0.00	$0.00	$0.00
Wire Advice - Mail	0	$0.0000	$0.00	$0.00	$0.00	$0.00
CPO GP Cust Mnt Temp Storage	55	$0.0000	$0.00	$0.00	$0.00	$0.00
Total Wire Transfer Services			**$137.00**		**$137.00**	**$0.00**
Account Reconciliation Services						
ARP PPay Maint - No Recon	1	$25.0000	$25.00	$25.0000	$25.00	$0.00
Payee Positive Pay - Issue Match	165	$0.0200	$3.30	$0.0200	$3.30	$0.00
Payee Positive Pay Maint	1	$0.0000	$0.00	$0.0000	$0.00	$0.00
ARP PPay Input File-Trans	1	$30.0000	$30.00	$30.0000	$30.00	$0.00
ARP PPay Input File-Trans	3	$0.0000	$0.00	$0.0000	$0.00	$0.00
ARP Ppay No Recon Input Item	165	$0.0200	$3.30	$0.0200	$3.30	$0.00
CPO ARP Positive Pay Notif	41	$0.0000	$0.00	$0.00	$0.00	$0.00
Total Account Reconciliation Services			**$61.60**		**$61.60**	**$0.00**
Information Services						
CPO Prem PDR Account	3	$25.0000	$75.00	$25.00	$75.00	$0.00
CPO Prem CDR Account	1	$25.0000	$25.00	$25.00	$25.00	$0.00
CPO Prem PDR Item Stored	1,015	$0.0917	$93.08	$0.0917	$93.08	$0.00
CPO Prem CDR Item	818	$0.0488	$39.92	$0.0488	$39.92	$0.00
CPO Online Subscription	1	$50.0000	$50.00	$50.00	$50.00	$0.00
CPO Research Item (first 100)	5	$0.0000	$0.00	$0.00	$0.00	$0.00
CPO Research Item (over 100)	0	$0.0500	$0.00	$0.05	$0.00	$0.00
CPO Prem IR Maintenance	1	$0.0000	$0.00	$0.00	$0.00	$0.00
CPO Per Image Access	12	$0.0000	$0.00	$0.00	$0.00	$0.00
Total Information Services			**$282.99**		**$282.99**	**$0.00**
Image Services						
Image Archive 90 days	69	$0.0000	$0.00	$0.00	$0.00	$0.00
Image Archive 7 years	163	$0.0000	$0.00	$0.00	$0.00	$0.00
Image Maintenance CPO (first account)	1	$8.0000	$8.00	$8.00	$8.00	$0.00
Image Maintenance CPO (2+ accounts)	2	$0.0000	$0.00	$0.00	$0.00	$0.00
Total Image Services			**$8.00**		**$8.00**	**$0.00**
EDI Services						
EDI Report per Account	1	$10.0000	$10.00	$10.00	$10.00	$0.00
CPC Rec Cash Pro Monthly Maint	1	$25.0000	$25.00	$25.00	$25.00	$0.00
CPC Rec Invoice Volume	434	$0.0100	$4.34	$0.01	$4.34	$0.00
Total EDI Services			**$39.34**		**$39.34**	**$0.00**
Total Activity Charges			**$2,267.16**		**$2,267.16**	**$0.00**
Total Estimated Monthly Service Charges			**$2,267.16**		**$2,267.16**	**$0.00**
Notes:						
Volumes from the April 2017 analysis. New services added or misc element pricing may be applied and/or negotiated during the term.						

BENTON P.U.D

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

COMMISSION MEETING AGENDA ITEM

Subject:	Work Order #514002 - New Regulator and Recloser – Prior #3	
Agenda Item No:	3f	
Meeting Date:	September 26, 2017	
Presented by:	Evan Edwards	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad Bartram	*General Manager/Asst GM*

Motion for Commission Consideration:
Motion to approve work order #514002 for the installation of a new regulator bank and recloser on the PR3-555 feeder getaway from Prior 3 Substation.

Background
As part of the District's annual planning cycle for large agricultural irrigation customers, Staff performed power flow analysis for the 12.47 kilovolt distribution system providing service to Agri-Northwest facilities from the Prior 3 substation. The analysis revealed a violation of the District's planning criteria for voltage at the end of the PR3-555 line. In addition, Staff identified that fuses are providing short circuit protection at the PR3-555 source terminal. While fuses may have been adequate when the feeder was initially put into service, Agri-Northwest loads have grown over time and now include a significant amount of three-phase equipment which is susceptible to damage when only one or two voltages are present following a blown fuse condition.

In order to correct voltage and protection deficiencies Staff requested that Agri-Northwest plan to fund the installation of a new three-phase line recloser at the source terminal of PR3-355 along with the installation of a new three-phase voltage regulator bank. In accordance with Resolution No. 2399, Agri-Northwest is responsible for funding 100% of the $103,325.15 estimated cost for the recommended distribution system improvements.

Summary
Completing the equipment installations associated with work order #514002 will help ensure reliable electric service is provided to Agri-Northwest from Prior 3 substation feeder PR3-555.

Fiscal Impact
Agri-Northwest will contribute $103,325.15 toward the cost of work order #514002. Actual costs above this amount will be covered by the District.

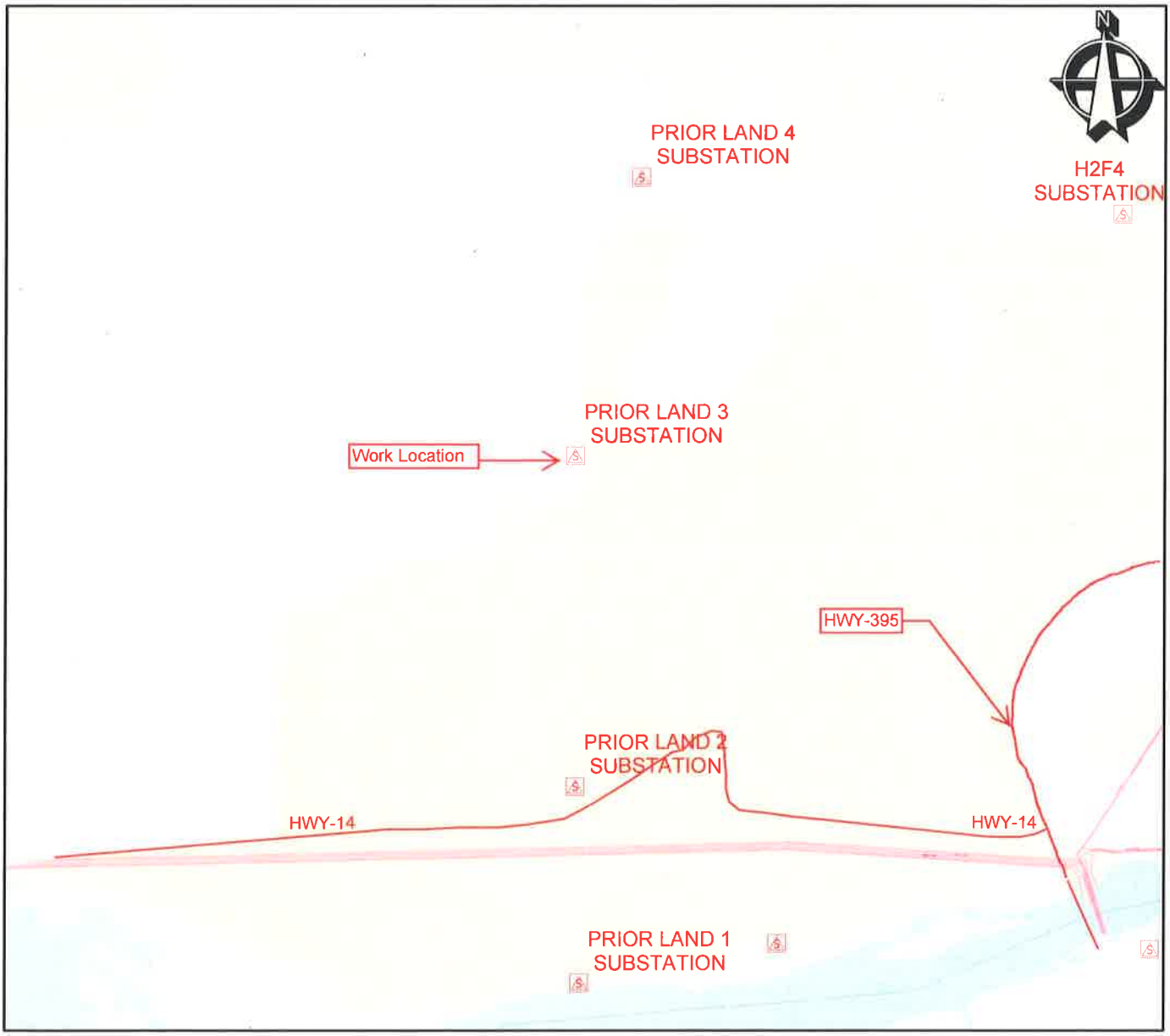
Projects To Be Presented At The Benton PUD Commission Meeting On 09/26/2017

Project Name: New Regulator and Recloser – Prior #3 Job Number: 514002

Location: Prior Land 3 Substation

Justification: Identified as a deficiency in 2017 Large Irrigator Plan of Service.

Location Map



BENTON P·U·D

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

COMMISSION MEETING AGENDA ITEM

Subject:	Work Order 129071 –Highlands Bay 3 Metalclad and Differential Relay Protection Installation	
Agenda Item No:	3g	
Meeting Date:	September 26, 2017	
Presented by:	Evan Edwards	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration

Motion approving Work Order 129071 for the installation of a replacement metalclad and associated relay protection package in bay 3 at Highlands substation.

Background

The Bay 3 metalclad switchgear currently in service at Highlands Substation was originally installed in 1980. The unit uses older airblast style breakers and does not have remote racking capability, creating maintenance and operational safety challenges. This project will replace the metalclad and install a new bay protection relay package. The new relay protection package utilizes high speed fault clearing if any part of the protected transformer bay (transformer, cable, bus, regulator, and metalclad switchgear) incurs a 115kV or 12.47kV electrical fault. The new metalclad will utilize vacuum breakers with a remote racking system, improving crew safety.

The relay protection package will be similar to those installed previously at the District's Chevron, Kennewick, Phillips, and Reata Substations. The project is planned for completion in October 2017 and the estimated cost of work order 129071 is $349,517.64 ($292,905 for equipment, $4,762.64 for the material and $51,850 for the labor). Because the material cost does not exceed $150,000, this project is not subject to state requirements for using contract labor.

Summary

Approving installation of equipment associated with work order 129071 will help minimize damage to Highlands Bay 3 substation assets in the event of a short circuit within the protection zone. Faster detection and clearing of short circuits can extend the life of very costly equipment and improves the safety of substation operations.

Fiscal Impact

The estimated work order cost of $349,517.64 was included in the District's 2017 budget for equipment and labor.

Projects To Be Presented At The Benton PUD Commission Meeting On September 26th, 2017

Project Name: Highlands Bay 3 Metalclad and Differential Addition

Job Number: 129071

Location: Highlands Substation

Justification: Five Year Plan Project

Location Map

BENTON PUD

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

COMMISSION MEETING AGENDA ITEM

Subject:	Contract Award Recommendation, Vista & Orchardview Node Cabinet Replacement, Bid Package #17-10	
Agenda Item No:	3L	
Meeting Date:	September 26, 2017	
Presented by:	Rick Dunn	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad B. Bartram	*General Manager/Asst GM*

Motion for Commission Consideration

Motion to award Contract #17-10 for Vista & Orchardview Node Cabinet Replacement to Robinson Brothers Contractors of Vancouver, WA for the total amount of $125,859.51 plus Washington State sales tax in accordance with RCW 54.04.080 with an expiration date of December 31, 2017.

Background

The District issued Bid Package #17-10 for Vista & Orchard view Node Cabinet Replacement.

On Tuesday, August 29, 2017 the District received responses from two qualified contractors; Robinson Brothers Contractors and Paramount Communications. Robinson Brothers Contractors overall bid was evaluated to be the lowest price.

Contractor	Vista	Orchardview	Total Cost
Robinson Brothers Contractors	$66,607.64	$59,251.87	$125,859.51
Paramount Communications	$71,125.40	$54,819.11	$125,944.51

Summary

This project increases available site capacity at the Vista and Orchardview Node sites as the space within the existing facilities has filled and is not adequate for new electronics purchased previously by the District. In addition, heat generated by the existing electronic equipment has increased to a level that exceeds the cooling capacity of air conditioning on the hottest days of the summer. Larger facilities are needed prior to installing expensive new broadband network electronics.

Fiscal Impact

The 2017 Broadband budget (46-131) for the Node upgrades is $150,000.

BENTON P.U.D

- [x] *Business Agenda*
- [ ] *Second Reading*
- [ ] *Consent Agenda*
- [ ] *Info Only/Possible Action*
- [ ] *Info Only*

COMMISSION MEETING AGENDA ITEM

Subject:	Resolution No. 2425 Amending the 2017 Budget	
Agenda Item No:	5a	
Meeting Date:	September 26, 2017	
Presented by:	Kevin White KW	*Staff Presenting Item*
Approved by (dept):	Jon Meyer JM	*Director/Manager*
Approved for Commission review:	Chad B. Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration:
Motion to adopt Resolution No. 2425 amending the 2017 Budget.

Recommendation/Background
The Commission passed Resolution No. 2389 adopting the 2017 Budget on December 13, 2016. In accordance with the District's Financial Policies, a budget amendment will be presented to the Commission each year, as necessary, reflecting the latest projections for both revenues and expenditures through the end of the year. The purpose of amending the budget during the year is to formalize year-end estimates for purposes of financial forecasting and to reprioritize planned spending based on updated business assumptions.

The budget amendments will be reflected in the August financial statements. The budget amendment includes the following:

- Increase of $3,342,663 in Electric Revenues based on the updated revenue forecast and is primarily due to the colder than average winter months and warmer than average summer months resulting in higher retail sales.
- Decrease of $761,689 in Net Power Expense based on current mark-to-market (original budget set at 25th percentile; actual water flows significantly higher than average in 2017; partially offset by lower than expected secondary market prices).
- Decrease of $1,997,911 in Electric Non-Power Operating Expense primarily due to reduced depreciation expense, but partially offset by increased taxes related to increased revenues, as well as increased overtime related to storms and fires.
- Net increase of $1,108,878 in Electric Capital Additions primarily due to carryover projects from 2016 (Bob Olson Parkway, South County Transmission line) and additional switch upgrades.
- Net increase of $221,865 in Broadband due to an increase in Capital expenditures related to small/medium business customer buildout, partially offset by increased revenue.

Summary

The recommended amendments to the 2017 Budget will be reviewed at the September 26 meeting. Budget amendments will reflect known and expected changes in the operations of the District for 2017.

Fiscal Impact

Adoption of the 2017 Amended Budget will establish revised targets for the current fiscal year.

RESOLUTION NO. 2425

September 26, 2017

A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
ADOPTING THE 2017 BUDGET AMENDMENT

WHEREAS, Resolution No. 2389 adopted the 2017 Budget for the Public Utility District No. 1 of Benton County (the "District") on December 13, 2016; AND

WHEREAS, Resolution No. 2313, *District Financial Policies*, adopted March 24, 2015, sets forth financial goals for the District which, among other requirements, established budgetary and procurement controls over expenditures indicating that the Commission shall approve total amounts for each of five budget categories, including Revenues, Net Power Expense, Non-Power Operating Expenses, Net Capital Additions and Debt Service, and requiring that budget amendments be presented to the Commission each year, as necessary; AND

WHEREAS, District staff has reviewed the District's actual revenues and costs through August 2017 and has developed revised budget requirements for each of the five budget categories for 2017; AND

WHEREAS, retail revenues are above original budget projections due to increased loads through August as a result of the colder than average winter and warmer than average summer; AND

WHEREAS, annual Net Power Supply is projected to be less than originally budgeted due to the original budget being set at the 25th percentile, actual water flows are significantly above normal for the year, but partially offset by lower than expected secondary market power prices; AND

WHEREAS, electric expenses are projected to be slightly above original budget primarily due to increased overtime related to storms and fires; AND

WHEREAS, broadband expenses and revenue are projected to be slightly higher than originally budgeted and broadband capital is projected higher than originally budgeted due to the small/medium business buildout; AND

WHEREAS, annual gross capital additions are projected to be more than originally budgeted primarily due to carryover projects from 2016 and additional switch upgrades; AND

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the 2017 Amended Budget, with projected Revenues (excluding wholesale power sales and capital contributions) of $135,659,921, Net Power Expenses (including wholesale power sales) of $80,034,576, Non-Power Operating Expenses (excluding interest expense) of $46,534,158, Net Capital Additions (excluding capitalized interest and including capital contributions) of $15,128,014, and Debt Service (including principal and interest on debt) of $5,294,650 be adopted.

ADOPTED By the Commission of Public Utility District No. 1 of Benton County at an open meeting, with notice of such meeting given as required by law, this 26th day of September 2017.

_____
Barry A. Bush, President

ATTEST:

_____
Lori Kays-Sanders, Secretary

PUBLIC UTILITY DISTRICT NO.1 OF BENTON COUNTY
2017 BUDGET AMENDMENT
September 26, 2017

Line #	Department / Item	Revenues (1)	Net Power Expense (2)	Non-Power Operating Expense (3)	Net Capital Additions (4)	Debt Service (5)
1	**2017 Approved Budget**	$ 132,247,258	$80,796,265	$ 48,458,286	$ 13,801,054	$ 5,294,650
2						
3	**Electric Amendments**					
4	**Net Power Supply**					
5	Reduced Secondary Market Sales - Low Market Prices		722,816			
6	Reduced Purchased Power Expense - Original Budget at 25th Percentile		(1,484,505)			
7	**Operations & Maintenance**					
8	Ops - Labor OT - Storms, Fires, etc.			100,000		
9	Insurance - Increased Pool Assessments			35,000		
10	O&M Reductions - Labor Shifted to Capital, Travel Training, etc.			(68,076)		
11	**Capital Projects**					
12	Transmission - Sunheaven to Prior				211,913	
13	Transmission - Switch Upgrades				234,000	
14	Transmission - Sunset Rd to Dallas Rd				(135,000)	
15	Transmission - BPA Interconnection Leslie (moved to 2018)				(208,627)	
16	Transmission - Southridge, Kennedy Rd and other				175,077	
17	Distribution - Substation - Leslie				520,050	
18	Distribution - Substation - Breakers, Pwr Qlty Mtrs, Circuit Switches				157,011	
19	Distribution - 5 Yr Plan - Reconductor Finley Rd, Badger Rd				(274,325)	
20	Distribution - Customer Growth - Bob Olsen Pkwy, Sunset Rd Feeder				576,793	
21	Distribution - Cable Injection / Replacement				64,752	
22	Distribution - SCADA, Maintenance Other				253,921	
23	IT - Data Warehouse, NISC, Display Monitors, Fiber Loop				(292,687)	
24	Vehicle Purchases				(88,700)	
25	Contributions in aid of Construction - Customer Growth, Paterson Tx				(85,300)	
26	**Non Departmental:**					
27	Reduced Annual Depreciation Expense			(2,500,000)		
28	Retail Revenues - Increased load due to cold winter	2,861,497				
29	Taxes - Primarily City Tax (increased residential revenue)	331,166		435,166		
30	Increased Interest Income - Increased investment rates	150,000				
31						
32	**Subtotal Electric Amendments**	$ 3,342,663	$ (761,689)	$ (1,997,911)	$ 1,108,878	$ -
33						
34	**Broadband Amendments**					
35	**Broadband**					
36	Net Increase Revenue (Access Internet - New Product, Reduced Ethernet)	70,000				
37	NoaNet NCS Fee (O&M Increase; tied to increased revenues)			73,783		
38	Multi Tenant and Small Business Buildout				350,000	
39	Fiber Backbone				15,000	
40	Misc. Capital Reductions				(33,418)	
41	CIAC - Various Projects				(113,500)	
42						
43	**Subtotal Broadband Amendments**	$ 70,000	$ -	$ 73,783	$ 218,082	$ -
44						
45	**TOTAL AMENDMENTS**	$ 3,412,663	$ (761,689)	$ (1,924,128)	$ 1,326,960	$ -
46						
47	**2017 Budget as Amended**	$ 135,659,921	$ 80,034,576	$ 46,534,158	$ 15,128,014	$ 5,294,650
48						
49	**Budget Categories**					
50	(1) Revenues excluding wholesale power sales and capital contributions.					
51	(2) Net Power Expenses including wholesale power sales.					
52	(3) Non-Power Operating Expenses excluding interest expense.					
53	(4) Net Capital Additions excluding capitalized interest and including capital contributions					
54	(5) Debt Service including principal and interest on debt.					

Comparative Operating Statement
Public Utility District No. 1 of Benton County
2017 Amended Budget

	2017 Amended Budget	2017 Original Budget	Increase/ (Decrease)	% Change
OPERATING REVENUES				
Energy Sales - Retail	$131,523,254	$128,330,591	$3,192,663	2.5%
Energy Sales for Resale	15,230,641	16,236,265	(1,005,624)	-6.2%
Transmission of Power for Others	969,232	686,424	282,808	41.2%
Broadband Revenue	2,150,716	2,080,716	70,000	3.4%
Other Revenue	1,585,951	1,585,951	-	0.0%
TOTAL OPERATING REVENUES	**151,459,794**	**148,919,947**	**2,499,847**	**1.7%**
OPERATING EXPENSES				
Purchased Power	82,456,195	83,972,119	(1,515,924)	-1.8%
Purchased Transmission and Ancillary Services	13,116,599	13,080,181	36,418	0.3%
Conservation	661,655	666,654	(4,999)	-0.7%
Total Power Supply	96,234,449	97,718,954	(1,484,505)	-1.5%
Transmission Operation & Maintenance	177,831	177,831	-	0.0%
Distribution Operation & Maintenance	9,619,392	9,517,694	101,698	1.1%
Broadband Expense	929,595	855,812	73,783	8.6%
Customer Accounting, Collection and Information	4,343,909	4,216,870	127,039	3.0%
Administrative & General	7,019,775	7,181,589	(161,814)	-2.3%
Subtotal before Taxes & Depreciation	22,090,502	21,949,796	140,706	0.6%
Taxes	13,775,267	13,340,101	435,166	3.3%
Depreciation & Amortization	10,668,389	13,168,389	(2,500,000)	-19.0%
Total Other Operating Expenses	46,534,158	48,458,286	(1,924,128)	-4.0%
TOTAL OPERATING EXPENSES	**142,768,607**	**146,177,240**	**(3,408,633)**	**-2.3%**
OPERATING INCOME (LOSS)	**8,691,187**	**2,742,707**	**5,908,480**	**n/a**
NONOPERATING REVENUES & EXPENSES				
Interest Income	400,000	250,000	150,000	60.0%
Other Income	376,070	376,070	-	0.0%
Interest Expense	(2,933,116)	(2,933,116)	-	0.0%
Debt Discount & Expense Amortization	490,142	490,142	-	0.0%
TOTAL NONOPERATING REVENUES & EXPENSES	**(1,666,904)**	**(1,816,904)**	**150,000**	**-8.3%**
INCOME (LOSS) BEFORE CONTRIBUTIONS	**7,024,283**	**925,803**	**6,058,480**	**n/a**
CAPITAL CONTRIBUTIONS	**1,256,023**	**1,057,223**	**198,800**	**18.8%**
CHANGE IN NET POSITION	**$8,280,306**	**$1,983,026**	**$6,257,280**	**n/a**
NET POWER	**80,034,576**	**$80,796,265**	**($761,689)**	**-0.9%**
CHANGE IN NET POSITION	**$8,280,306**	**$1,983,026**	**$6,297,280**	
Less: Gross Capital in Excess of Depreciation	(5,898,393)	(1,872,634)	(4,025,760)	
Less: Principal Payment on Outstanding Debt	(3,045,000)	(3,045,000)	-	
Plus: Non-Cash Items (Prepaid Expense Amortizations, etc.)	526,994	526,994	-	
ESTIMATED ADDITION/(REDUCTION) TO CASH RESERVES	**($136,093)**	**($2,407,614) #**	**$2,271,520**	

Comparative Capital Budget
Public Utility District No. 1 of Benton County
2017 Amended Budget

	2017 Amended Budget	2017 Original Budget	Increase/ (Decrease)	% Change
Transmission Plant:				
Land & Land Rights	$277,363	$100,000	$177,363	177.4%
Structures & Improvements	208,627	0	208,627	n/a
Transmission Station Eq.	20,006	208,627	(188,621)	-90.4%
Towers & Fixtures	788,123	12,500	775,623	n/a
Poles & Fixtures		369,564	(369,564)	n/a
Overhead Conductor & Devices	70,000	396,065	(326,065)	-82.3%
Subtotal - Transmission Plant	**1,364,118**	**1,086,756**	**277,362**	**25.5%**
Distribution Plant:				
Station Equipment	1,827,062	1,150,000	677,062	58.9%
Poles, Towers & Fixtures	828,817	830,687	(1,870)	-0.2%
Overhead Conductor & Devices	484,156	519,734	(35,578)	-6.8%
Underground Conduit	1,323,145	1,446,061	(122,916)	-8.5%
Underground Conductor & Devices	2,391,990	2,175,439	216,551	10.0%
Line Transformers	1,244,918	1,189,186	55,732	4.7%
Services-Overhead	60,147	55,750	4,397	7.9%
Services-Underground	1,430,727	872,900	557,827	63.9%
Meters	200,000	200,000	0	0.0%
SCADA System	225,000	278,000	(53,000)	-19.1%
Subtotal - Distribution Plant	**10,015,961**	**8,717,757**	**1,298,204**	**14.9%**
General Plant:				
Structures & Improvements	376,000	376,000	0	0.0%
Information Systems & Technology	1,192,777	1,485,464	(292,688)	-19.7%
Transportation Equipment	564,300	653,000	(88,700)	-13.6%
Tools, Shop & Garage Equipment	15,000	15,000	0	0.0%
Laboratory Equipment	17,000	17,000	0	0.0%
Communication Equipment	6,169	6,169	0	0.0%
Miscellaneous Equipment		0	0	n/a
Subtotal - General Plant	**2,171,246**	**2,552,634**	**(381,388)**	**-14.9%**
Total Broadband	**1,292,237**	**960,656**	**331,582**	**34.5%**
Capitalized Allocations	**1,540,474**	**1,540,475**	**(0)**	**0.0%**
Capitalized Interest	**182,746**	**182,746**	**0**	**0.0%**
Total Electric Plant	**$16,566,782**	**$ 15,041,023**	**$ 1,525,760**	**10.1%**
Capital Contributions	**(1,256,023)**	**(1,057,223)**	**(198,800)**	**18.8%**
Net Capital	**$15,310,759**	**$ 13,983,800**	**$ 1,326,960**	**9.5%**

Comparative Budget by Activity Code
Public Utility District No. 1 of Benton County
2017 Amended Budget

	2017 Amended Budget	2017 Original Budget	Increase/ (Decrease)	% Change
Allocated Costs:				
88 Payroll Taxes	$1,076,846	$1,076,846	$0	0.0%
101 Employee Benefits	4,974,890	4,974,890	-	0.0%
Allocated Cost Total	**6,051,736**	**6,051,736**	-	**0.0%**
Payroll:				
10 District Overtime Labor	784,640	653,140	131,500	20.1%
11 All Other District Labor	13,237,124	13,264,064	(26,940)	-0.2%
District Labor Total	**14,021,764**	**13,917,204**	**104,560**	**0.8%**
Power Cost:				
9 Purchased Power	93,644,131	94,774,637	(1,130,506)	-1.2%
Power Cost Total	**93,644,131**	**94,774,637**	**(1,130,506)**	**-1.2%**
System Costs:				
1 Contingency	(270,000)	(270,000)	-	0.0%
12 Materials & Supplies	2,096,303	1,970,069	126,234	6.4%
13 Store Expense - Non Labor	25,000	25,000	-	0.0%
14 Small Tools & Materials	107,470	107,470	-	0.0%
15 Transportation Expense-Gas&Oil	225,500	225,500	-	0.0%
16 Transportation Exp-Repair&Main	167,500	167,500	-	0.0%
17 Operation & Maintenance Exp	426,100	420,100	6,000	1.4%
18 Misc Construction Expense	230,600	95,600	135,000	141.2%
19 Tree Trimming - Contract	680,000	680,000	-	0.0%
20 Off-the-Dock Labor	637,000	637,000	-	0.0%
21 Elec Construction Contracts	2,422,170	1,917,465	504,705	26.3%
23 Environmental	22,000	22,000	-	0.0%
System Cost Total	**6,769,643**	**5,997,704**	**771,939**	**12.9%**
General Expenditures:				
25 Maintenance of Software	842,728	809,078	33,650	4.2%
26 Computer Hardware & Equip Exp	112,128	47,000	65,128	138.6%
27 Personal Computer Software	30,700	30,700	-	0.0%
28 Personal Computer O&M Costs	163,700	163,700	-	0.0%
29 Personal Computer Supplies&Exp	12,000	12,000	-	0.0%
30 Customer Service Expenses	470,682	470,682	-	0.0%
33 Office Supplies & Expenses	65,900	65,900	-	0.0%
34 Insurance	584,450	549,450	35,000	6.4%
37 Grounds Care	88,000	88,000	-	0.0%
38 Maint of Bldg & Improvements	250,000	250,000	-	0.0%
39 Maint of Equipment	39,000	39,000	-	0.0%
40 Rents	328,818	328,818	-	0.0%
41 Insurance Damages & Other Reim	10,000	10,000	-	0.0%
42 Business Expense & Travel	258,200	261,200	(3,000)	-1.1%
43 Training Expense & Travel	253,595	266,330	(12,735)	-4.8%

Comparative Budget by Activity Code
Public Utility District No. 1 of Benton County
2017 Amended Budget

	2017 Amended Budget	2017 Original Budget	Increase/ (Decrease)	% Change
44 Other General Expenses	1,191,633	786,269	405,364	51.6%
45 Subscriptions & Publications	22,495	23,495	(1,000)	-4.3%
46 Treasurer Expenses	409,500	391,500	18,000	4.6%
General Expenditure Total	**5,133,530**	**4,593,122**	**540,408**	**11.8%**
Utilities:				
50 Telephone & Answering Services	185,884	180,884	5,000	2.8%
51 Water,Garbage,Irrigation&Other	73,000	73,000	-	0.0%
Utilities Total	**258,884**	**253,884**	**5,000**	**2.0%**
Outside Services:				
60 Audit Examination - State	85,500	85,500	-	0.0%
61 Professional Services	1,613,774	1,522,580	91,194	6.0%
Outside Services Total	**1,699,274**	**1,608,080**	**91,194**	**5.7%**
Dues and Assessments:				
70 Civic & Service Organizations	18,965	18,965	-	0.0%
72 Industry Assoc Assessments	424,575	424,675	(100)	0.0%
Dues and Assessments Total	**443,540**	**443,640**	**(100)**	**0.0%**
Taxes:				
80 Public Utility & Excise Tax	4,848,000	4,806,000	42,000	0.9%
81 State Privilege Tax	2,707,000	2,645,000	62,000	2.3%
82 City Occupation Taxes	6,220,267	5,889,101	331,166	5.6%
Taxes Total	**13,775,267**	**13,340,101**	**435,166**	**3.3%**
Other Employee Costs:				
104 Other Employee Costs	157,944	157,944	-	0.0%
Other Employee Costs Total	**157,944**	**157,944**	**-**	**0.0%**
Energy Resources:				
112 Residential Conservation Exp	669,001	669,001	-	0.0%
113 Commercial Conservation Exp	499,000	699,000	(200,000)	-28.6%
115 Irrigation Conservation Exp	170,000	220,000	(50,000)	-22.7%
117 Appliance Efficiency Program	35,000	125,000	(90,000)	-72.0%
Energy Resources Total	**1,373,001**	**1,713,001**	**(340,000)**	**-19.8%**
Public Information:				
119 Public Information Expenses	218,600	218,600	-	0.0%
Public Information Total	**218,600**	**218,600**	**-**	**0.0%**

Comparative Budget by Activity Code
Public Utility District No. 1 of Benton County
2017 Amended Budget

	2017 Amended Budget	2017 Original Budget	Increase/ (Decrease)	% Change
Purchased Electric Plant & Equip:				
121 Substation Equip & Materials	936,316	788,530	147,786	18.7%
122 Line Devices	645,668	416,971	228,697	54.8%
123 Transformers & Related Items	848,400	848,400	-	0.0%
124 Meters & Related Items	159,075	159,075	-	0.0%
125 Land & Land Rights - Electric	231,737	-	231,737	n/a
127 SCADA Communications Equipment	125,000	134,000	(9,000)	-6.7%
128 SCADA Substation Equipment	20,000	20,000	-	0.0%
Purchased Electric Plant and Equip Total	**2,966,196**	**2,366,976**	**599,220**	**25.3%**
Purchased General Plant & Equip:				
131 Structures & Improvements	526,000	526,000	-	0.0%
132 Office Equipment	7,000	7,000	-	0.0%
133 Transportation Equipment	564,300	653,000	(88,700)	-13.6%
134 Tools, Shop & Stores Equipment	20,000	20,000	-	0.0%
135 Laboratory & Test Equipment	17,000	17,000	-	0.0%
136 Communication Equipment	95,000	245,000	(150,000)	-61.2%
137 Capitalized Computer Software	61,500	141,000	(79,500)	-56.4%
138 Computer Equipment	295,000	413,000	(118,000)	-28.6%
Purchased General Plant & Equip Total	**1,585,800**	**2,022,000**	**(436,200)**	**-21.6%**
Debt Service:				
150 Principal	3,045,000	3,045,000	-	0.0%
151 Interest	2,210,650	2,210,650	-	0.0%
Debt Service Total	**5,255,650**	**5,255,650**	**-**	**0.0%**
Other Misc. Expenditures:				
200 New Services Expenses	4,000	4,000	-	0.0%
201 New Product Expenses	3,500	3,500	-	0.0%
Other Misc Expenditures Total	**7,500**	**7,500**	**-**	**0.0%**
Grand Total	**$153,362,460**	**$152,721,779**	**$640,681**	**0.4%**
Depreciation:				
301 Depreciation	11,108,389	13,608,389	(2,500,000)	-18.4%
Depreciation Total	**$11,108,389**	**$13,608,389**	**-$2,500,000**	**-18.4%**

COMPARATIVE BROADBAND BUDGET
Public Utility District No. 1 of Benton County
2017 Amended Budget

	2017 Amended Budget	2017 Original Budget	Increase/ (Decrease)	% Change
Revenue	$2,150,716	$2,080,716	$70,000	3.4%
Operating Expenses	(929,595)	(855,812)	(73,783)	8.6%
Net Income (Loss)	1,221,121	1,224,904	(3,783)	-0.3%
Broadband Capital:				
Gross Capital Expenditures	(1,292,237)	(960,656)	(331,582)	34.5%
Capital Contributions	123,500	10,000	113,500	n/a
Net Capital Expenditures	(1,168,737)	(950,656)	(218,082)	22.9%
Net Cash from / (to) Broadband	$52,384	$274,248	($221,864)	-80.9%

Summary does not include depreciation or internal interest

BENTON P.U.D

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

COMMISSION MEETING AGENDA ITEM

Subject:	2018 Pole Attachment Rate Information	
Agenda Item No:	5b	
Meeting Date:	September 26, 2017	
Presented by:	Rick Dunn	*Staff Presenting Item*
Approved by (dept):	Rick Dunn	*Director/Manager*
Approved for Commission review:	Chad Bartram CBB	*General Manager/Asst GM*

Motion for Commission Consideration:

None.

Recommendation/Background

In 2008 the Washington State Legislature approved a bill with the intent of establishing a uniform method for locally regulated utilities to use when calculating pole attachment rates. Passage of the bill resulted in RCW 54.04.045 which became effective on June 12, 2008. To comply with this RCW, the District adopted a pole attachment rate calculation methodology which was developed as a result of a collaborative PUD effort coordinated by the Washington PUD Association (WPUDA) Managers group. Fundamentally the state law requires a "just and reasonable rate" to be calculated by summing one-half of two components.

The Pole Attachment Task Force formed by the WPUDA managers determined that one of the components is equivalent to the rate calculated by using the Federal Communications Commission (FCC) Telecom formula and the other component is the shared-cost recovery rate formula recommended by the American Public Power Association (APPA). The primary differences in the formulas are as follows.

- FCC Telecom formula:
    - Allocates all of the forty-inch safety space that separates the electric conductors and the communications cables on a pole to the pole owner. In addition this formula allocates one-third of the support and clearance space to the pole owner regardless of the number of entities sharing the pole. The support and clearance space is the portion of the pole that is buried in the ground and that extends above the ground to a point of attachment on the pole needed to

ensure ground-line clearances to communications cables in accordance with the National Electrical Safety Code (NESC).

- Uses cost assumptions that result in a calculated value for the average cost of a bare pole that is significantly less than what is observed in practice.

- APPA formula:

  - Allocates all of the "common space" among all attaching entities, including the pole owner, on a per-capita basis. The common space includes the forty inch safety space and the support and clearance space described previously. The equal allocation of common space on a pole is premised on the simple fact that each party has an equal need for this space.

  - Uses cost assumptions that result in a calculated value for the average cost of a bare pole more closely aligned with what is observed in practice.

On February 10, 2009 Commission approved a motion amending the District's Pole Attachment License Agreement. The Staff recommendation associated with this motion stated the Commission should direct Staff to calculate and charge the rate established by RCW 54.04.045 and that future changes in the rate would not require Commission approval since objective data would be used to calculate the rate each year. All major joint users of the District's poles approved Amendment #1 to their Pole Attachment License Agreement which included language stating: The rate for "Annual Contact Fees" must be calculated annually in accordance with RCW 54.04.045.

The District's pole attachment rate in 2009 was $15.94 and in 2017 it rose to $23.04. The rate for 2018 will be $19.62. The reduction in the rate is driven primarily by lower carrying charges resulting from an adjustment to the District's accounting practices relative to the assumed rate of plant depreciation and a reduced allocation of tree trimming expenses from 50% to 33.3%. The District continues to assume four attachments per pole on average which includes room for the District's electrical circuits and broadband fiber as well as two additional communications attachments. The higher the number of attachments assumed, the lower the calculated pole attachment rate. This is due to the equal allocation of the common space on a per capita basis assumed when calculating the APPA formula rate component previously described. The District's actual average number of attachments is closer to three but we have chosen to assume four as a balanced approach to our rate calculation. As a point of reference the FCC presumptive number of attachments is three for rural areas or five for urban areas (populations of more than 50,000).

Summary

The information provided is intended to keep the Commission informed regarding the District's pole attachment rate calculation methods and assumptions.

Fiscal Impact

Revenues associated with the collection of pole attachment fees in 2018 are expected to be approximately $372,000 versus the $437,898 collected in 2017.

BENTON P.U.D

☐	*Business Agenda*
☐	*Second Reading*
☐	*Consent Agenda*
☐	*Info Only/Possible Action*
✓	*Info Only*

COMMISSION MEETING AGENDA ITEM

Subject:	August 2017 Financials	
Agenda Item No:	5c	
Meeting Date:	September 26, 2017	
Presented by:	Kent Zirker	*Staff Presenting Item*
Approved by (dept):	Jon Meyer JM	*Director/Manager*
Approved for Commission review:	Chad B. Bartram	*General Manager/Asst GM*

Motion for Commission Consideration:

None

Recommendation/Background

None

Summary

The August financial statements will be reviewed during the Commission meeting.

Fiscal Impact

None