

AGENDA
BENTON COUNTY PUBLIC UTILITY DISTRICT NO. 1
COMMISSION MEETING

Tuesday
2721 West 10th Ave., Kennewick

June 23, 2020

9:00 a.m.

The meeting is open to public attendance via telephonic means.

The conference call line is:

1-469-998-5874

Conference ID – 533 020 226#

1. Pledge of Allegiance
2. Public Comment
3. State Auditor’s Office – Exit Conference for 2019 Accountability & Legal Compliance Audit (pg.3)
Info. Only/Kent Zirker/Markus Nelson and Ginny Waltman, State Auditor’s Office

4. APPROVAL OF CONSENT AGENDA

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

- a) Minutes of regular commission meeting of June 9, 2020. (pg.13)
- b) Vouchers dated June 23, 2020. (pg.19)
- c) Work Order #590993 – RTA-1 Extended Feeder East along Sagebrush Road from Bermuda Rd to Cottonwood Drive. (pg.35)
- d) Southridge Substation Civil Construction, Bid Package #20-21-18. (pg.37)
- e) The Energy Authority, Inc., Contract #06-51-11, Contract Change Order #32. (pg.41)

5. Report from Management

6. BUSINESS AGENDA

- a) Wind Power and Clean Energy Policy Perspectives White Paper
Action Item/Rick Dunn (pg.44)
- b) City of Kennewick Franchise Agreements for the Electrical City Ordinance 5872 (Contract #20-21-21) and Broadband Systems City Ordinance 5871 (Contract #20-46-09)
Action Item/ Steve Hunter/Chris Folta (pg.58)
- c) Motion to Implement Long-Term Payment Arrangements and Changes to Pay as You Go
Action Item/Jon Meyer (pg.105)
- d) Authorizing General Manager to Proceed with developing plans to issue \$20 million in Bonds in 2020 (pg.109)
Info. Only/Possible Action/Jon Meyer

- e) Resolution No. 2547, Providing for the Reimbursement of Certain Expenditures out of the Issuance and sale of Reimbursement bonds (pg.111)
Info. Only/Possible Action/Jon Meyer
- 7. Future Planning
- 8. Meeting Reports
- 9. Executive Session

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



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

COMMISSION MEETING AGENDA ITEM

Subject:	State Auditor’s Office – Exit Conference for 2019 Accountability & Legal Compliance Audit	
Agenda Item No:	3	
Meeting Date:	June 23, 2020	
Presented by:	Kent Zirker	<i>Staff Presenting Item</i>
Approved by (dept):	Jon Meyer	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

Motion for Commission Consideration

None.

Recommendation/Background

State law (RCW 43.09.245) grants authority to the Washington State Auditor's Office (SAO) to perform an audit of the District’s financial affairs. The audit helps assess the financial operation of the District and provides an important independent check and balance for public accountability.

The entrance conference for the District’s annual accountability and legal compliance audit was held with staff on May 20, 2020. The SAO recently completed the audit for calendar year 2019. Their work included assessing accountability over public assets and compliance with local and state laws and regulations. In addition, the SAO reviewed the work of Moss Adams for the District’s financial audit.

Summary

The exit conference is an opportunity for the SAO to present the results of the audits to the Commission.

Fiscal Impact

The SAO estimated the cost of the 2019 Accountability audit to be \$17,500 plus travel expenses. The 2020 budget included \$72,500 for total audit examination costs of which \$17,000 was estimated for the SAO audit.



Office of the Washington State Auditor

Pat McCarthy

Exit Conference: Benton County Public Utility District No.1

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independence and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

Audit Reports

We will publish the following reports:

- Accountability audit for January 1, 2019 through December 31, 2019 - see draft report.

Audit Highlights

We really appreciate the District's ability to provide information in an electronic format while working remotely.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal/>

Management Representation Letter

We have included a copy of representations requested of management.

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$17,500 and actual audit costs will approximate that amount.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in early 2021 and will cover the following general areas:

- Accountability for Public Resources

The estimated cost for the next audit based on current rates is \$17,500 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies.

Working Together to Improve Government

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

The Center for Government Innovation

The Center for Government Innovation of the Office of the Washington State Auditor is designed to offer services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean, peer-to-peer networking and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at Center@sao.wa.gov.

Questions?

Please contact us with any questions about information in this document or related audit reports.

Kelly Collins, CPA, Director of Local Audit, (564) 999-0807, Kelly.Collins@sao.wa.gov

Tina Watkins, CPA, Assistant Director of Local Audit, (360) 260-6411 Tina.Watkins@sao.wa.gov

Ginny Waltman, Audit Manager, (509) 734-7104, Ginny.Waltman@sao.wa.gov

Markus Nelson, Audit Lead, (509) 734-7104, Markus.Nelson@sao.wa.gov

Preliminary Draft - Please do not duplicate, distribute, or disclose.



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Public Utility District No. 1 of Benton
County

For the period January 1, 2019 through December 31, 2019

Published (Inserted by OS)

Report No. 1026466





**Office of the Washington State Auditor
Pat McCarthy**

Issue Date – (Inserted by OS)

Board of Commissioners
Public Utility District No. 1 of Benton County
Kennewick, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government’s stewardship of public resources.

Attached is our independent audit report on the District’s compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

Audit Results..... 4

Related Reports..... 5

Information about the District..... 6

About the State Auditor's Office..... 7



AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of Public Utility District No. 1 of Benton County from January 1, 2019 through December 31, 2019.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the District's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended December 31, 2019, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – general disbursements and credit cards
- Accounts receivable – utility billing
- Payroll – lineman compensation
- Procurement – public works projects, change orders and purchase contracts

RELATED REPORTS

Financial

A financial statement audit was performed by a firm of certified public accountants. That firm's report is available on our website, <http://portal.sao.wa.gov/ReportSearch> .

Preliminary Draft - Please do not duplicate, distribute, or disclose.

INFORMATION ABOUT THE DISTRICT

Public Utility District No. 1 of Benton County was established in 1934 to engage in the purchase, generation, transmission, distribution and sale of electric energy. The District also provides wholesale telecommunication services. Covering about 939 square miles of Benton County, the District’s service area provides services to about 54,900 customers. The District’s properties include 38 substations, about 98 miles of 115kV transmission line, 1,699 miles of distribution lines, and other buildings, equipment, storage and related facilities. The main administrative offices are located in Kennewick with a branch office in Prosser.

An elected, three-member Board of Commissioners governs the District. The Board appoints management to oversee the District’s operations and its 165 employees. In fiscal year 2019, the District generated about \$162 million in operating revenue.

Contact information related to this report	
Address:	Public Utility District No. 1 of Benton County P.O. Box 6270 Kennewick, WA 99336
Contact:	Kent Zirker, Manager of Accounting
Telephone:	(509) 582-2175
Website:	www.bentonpud.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for Public Utility District No. 1 of Benton County at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR’S OFFICE

The State Auditor’s Office is established in the state’s Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor’s Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor’s Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(564) 999-0950
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov

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

Date: June 9, 2020

Time: 9:00 a.m.

Place: Via MS Teams, in accordance with Proclamation No. 20-28.4

Attendees:

Commissioners Hall, Sanders, and Bush

General Manager Dunn

Legal Counsel Hultgrenn

Senior Director of Engineering and Operations Hunter

Senior Director of Finance & Customer Services Meyer

Director of Information Technology & Broadband Services Folta

Director of Executive Administration Conover

Director of Power Management White

Manager of Communications and Governmental Relations Henderson

Manager of Contracts & Purchasing Ochweri

Manager of Risk Management & Treasury Mercer

Manager of Accounting Zirker

Manager of Conservation & Renewable Energy Programs Johnson

Manager of Customer Service McAloon

Senior Engineer Scherer

Supervisor of Distribution Design Irving

Supervisor of System Engineering Edwards

Supervisor of Executive Administration/Clerk of the Board Marshall

Guests: Rich Nall, NoaNet

The Pledge of Allegiance was given.

Public Comment

Member of the public, Mr. Mike Paoli confirmed his attendance via phone call for today's meeting.

Treasurer's Report

Manager of Risk Management & Treasury reviewed the June 2020 treasurer's report. The Commission accepted the June 2020 Treasurer's Report. The Counterparty and Sector reports were included in the commission packet.

Consent Agenda

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

- a) Approving Commission Meeting Minutes of May 26, 2020.
- b) 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 80301-80319 in the total amount of \$306,607.32, Checks & Customer Refund payments (CHK) 79132-79204 in the total amount of \$315,295.15, Electronic Fund Transfer (WIRE) payments 5364-5378 in the total amount of \$8,166,697.32; Payroll: Direct Deposit – 05/28/20 08320-80472 in the total amount of \$352,025.54 and Direct Deposit – 05/28/20 600110-600110 in the total amount of \$1,065.59, for a grand total of \$9,161,690.92.
- c) Approving work order 595880 for the installation of underground primary electric facilities to serve Apple Valley Phase 5A Subdivision consisting of 45 Lots South of Bob Olson Pkwy on South Wilson St in the Apple Valley Subdivision.

MOTION CARRIED UNANIMOUSLY.

Report from Management

General Manager:

1. General Manager provided an update on the Northwest River Partners “Our Power is Water” advertising campaign and reviewed staff’s recommendation to provide additional funding towards expanding the reach of the campaign. Commissioners concurred with staff to move forward on their recommended contribution.
2. A discussion was held on a wind power whitepaper being developed by staff. Commissioners requested a one-page executive summary be included with the whitepaper. General Manager will forward an updated version of the whitepaper and will include an agenda memo with a motion requesting adoption of the paper at a future commission meeting. The whitepaper is expected to be used for employee and customer education and outreach.
3. An update from the WPUDA General Manager’s meeting held last week was given. WPUDA’s Executive Director, George Caan is developing a letter in response to Governor Inslee’s Proclamation 23-24.2 and will present the letter to the WPUDA Board of Directors meeting being held on June 12th.

Senior Director of Engineering and Operations/ Director of Information Technology & Broadband Services:

1. Senior Director provided an update on two lightning storms that resulted in multiple outages over the May 30, 2020 weekend. Most of the outages occurred throughout Prosser, Benton City, Finley, and the Reata area in Kennewick.
2. An update was provided on the Electrical Franchise Agreement and Fiber Franchise Agreement negotiations with City of Kennewick. A brief discussion was held on the key points proposed in both agreements. Staff and legal counsel have completed the review process and will bring the Agreements to a future meeting for commission consideration.

Director of Information Technology & Broadband Services:

1. Director informed the Commission of a proposed project that will be discussed at the June 10th NoaNet Board Meeting. The project involves a national telecommunications carrier, code named "Cameo" due to a Non-disclosure Agreement with NoaNet, that would provide several 100 GB transport services and requires an upgrade of NoaNet's core backbone network. The upgrade had already been planned as part of periodic enhancements to the network and this is the first committed project that would utilize the new higher capacity improvements. The project would be funded through a combination of the 2019 Member Line of Credit to which the District has authorized up to a \$200,000 commitment and cash flows received from NoaNet's current sales.

Director of Executive Administration:

1. Due to COVID-19, there is a special open enrollment and election change option to the District's Flexible Spending Account Medical and Dependent Care Plans. This special open enrollment period is open through July 3, 2020. Commissioners are encouraged to contact Jody George in Human Resources for more information.

2. An update was provided on the District's safety exposure plan. The District is following the facial covering requirements with some exceptions. Masks are available to employees or they can choose to use their own when in District buildings. The District has also implemented enhanced cleaning and disinfecting of the buildings.

3. Staff is recommending moving the commission meetings to a more electronic format. We are in the process of reviewing the proposed NISC product that would allow commissioners and staff to access commission documents electronically. Director of Information Technology & Broadband Services reviewed the proposed IPAD option. Commissioner Lori Sanders discussed the previous attempt with a District IPAD but stated she would be willing to try this option again. More information will be provided at future meetings.

Director of Power Management:

1. Director provided an update on Bonneville Power Administration's (BPA) proposed suspension of their financial reserve policy surcharge that would be effective July 1, 2020 through September 30, 2021. This is in response to a recommendation by the Public Power Council (PPC), due to many utilities being financially impacted by COVID-19. If this surcharge is suspended, this would forego collections of about \$800,000 to the District, spread over 15 months. BPA did open an expedited rate case and is expected to be completed by June 30, 2020 unless there are any objections; however, Director does not believe BPA will receive any comments since the result is giving money back to utilities.

2. An update on power supply and the District's June/ July position was provided.

3. Director reviewed the District's financial hedging reports that were also included in the commission packet.

Senior Director of Finance & Customer Services Meyer

1. Senior Director reviewed retail revenue graphs that can also be found on the District's website.
2. Senior Director reviewed graphs that were included in the commission packet which provided information on residential and general services, large general service, and accounts receivables. Discussions were held on accounts receivables due to businesses not having staff in office to process payments as quickly. A brief discussion was held on the District's Pay as You Go program and the number of customers currently enrolled.

At 10:10 a.m., Commission President Jeff Hall announced that the commission meeting would recess for 10 minutes.

At 10:20 a.m., Commission President Jeff Hall reconvened the commission meeting into regular open public session.

Business Agenda

Benton PUD 2020 Integrated Resource Plan Update

Director of Power Management gave a presentation on the 2020 Integrated Resource Plan (IRP) including a recap of the 2018 IRP action plan and associated actions taken by the District. Director reviewed the District's annual, monthly, daily, and hourly energy needs and emphasized the District's capacity need. The 2020 IRP considerations include regional resource adequacy, District's summer capacity deficits, and increased requirements due to Clean Energy Transformation Act (CETA). Staff plans to provide updates in July and bring the final 2020 IRP for Commission consideration for adoption on August 11, 2020.

NoaNet Contract #20-24-08, Broadband Service Order, fiber-optic construction

Director of Information Technology & Broadband Services gave a presentation on Broadband Service Order: US Cellular small cell deployment. Director reviewed the Broadband Service Order terms, Financial Analysis, and Strategic Value.

Motion by Barry Bush, seconded by Lori Sanders authoring the General Manager on behalf of the District to sign Contract #20-46-08 with NoaNet, for Broadband Service Order to provide NoaNet with two strands of dark fiber, along with the option for two additional strands, on the District's Broadband network to serve forty-two US Cellular, Inc. advanced wireless communications sites to be deployed throughout Benton County and any subsequent associated workorders between the District and NoaNet authorizing net capital expenditures by the District of up to \$746,550 in exchange for total revenues from NoaNet of at least \$1,990,800 over a ten-year term related to this Contract.
MOTION PASSED UNANIMOUSLY.

Director thanked the staff of NoaNet for their work on this contract. Rich Nall, NoaNet thanked District staff for the District's approach to Broadband and focus to serve the community.

Motion Extending Temporary Changes to the District's Customer Service Rates and Policies

Senior Director of Finance and Customer Services reviewed the recommended motion and informed the Commission this motion aligns with Governor Inslee's Proclamation No. 20-23.4 which requires suspending disconnections for non-payment and late fees until July 28, 2020 for residential customers. Director reviewed staff's recommendation to not extend this moratorium for rate classes that are industry specific and include Schedule 34 Large Industrial, Schedule 51 Street Lighting, Schedules 72 through 76 Large Irrigation, Schedule 85 Flats – Unmetered Electric Services, and Customers that meet the definition of an Electricity Intensive Load (EIL).

A brief discussion was held on District's EIL and Large Irrigation customers. Manager of Customer Service Sparks has been in communication with the District's larger customers. Staff will continue to provide the Commission with updates.

Motion by Lori Sanders, seconded by Barry Bush extending the following temporary changes that became effective March 16, 2020 to the District's Customer Service Rates and Policies, Resolution No. 2516:

- 1) Discontinuance of the assessment of the 1% late fee on past due balances.
- 2) Suspension of the mailing of Urgent Notices to customers with delinquent account balances.
- 3) Suspension of disconnects for non-pay.

These temporary changes do not pertain to the following:

- 1) Schedule 34 Large Industrial
- 2) Schedule 51 Street Lighting
- 3) Schedules 72 through 76, Large Irrigation
- 4) Schedule 85 Flats – Unmetered Electric Service
- 5) Customers that meet the definition of Electricity Intensive Load (EIL)

And authorizing the temporary changes to continue in place through the end of the day on July 28, 2020.

MOTION PASSED UNANIMOUSLY.

Senior Director reviewed staff's proposal of a long-term payment arrangement program option that would allow customers time to pay back their outstanding utility bill over time. The proposed program would also allow customers the leniency to miss a payment if needed and would just extend the term of their agreement out. A discussion was held on options to include in this payment arrangement program. Staff will review the discussed options and review the restrictions within the NISC software and will return to a future commission meeting with recommendations for commission consideration. Discussion was held on the terms of the payment arrangement program and staff approval processes.

Senior Director gave a presentation on the Pay as You Go existing current program details. A discussion was held on the current Pay as You Go Policy and existing parameters for customers

when enrolled in this program. Staff are recommending going to a touchless enrollment process and expanding some of the criteria for adding past due balances as well as offering this program to Small General Service customers that have a remote connect/disconnect meter.

Financial Forecast

General Manager and Senior Director of Finance and Customer Services gave an update presentation on District’s Financial Forecast. This presentation can also be found on the District’s website. Staff reviewed the Strategic Capital Plan, funding capital projects and reasons to issue bonds, history of Bond issues at the District, revisited the history of the 2016 Bond issue, and forecast scenarios with and without a Bond issue.

Commissioners held discussions on the District’s debt ratio and the District’s use of a potential bond issue to fund capital projects, and not be used for customer assistance. Commissioner Barry Bush requested to meet with District staff to further understand this need more. General Manager will schedule time with Commissioner Barry Bush.

Meeting Reports

Commissioner Jeff Hall will be attending the NoaNet Board meeting virtually this week.

Hearing no objection, Commission President Jeff Hall adjourned the Commission Meeting at 12:27 p.m.

Jeffrey D. Hall, President

ATTEST:

Barry A. Bush, Secretary



PAYMENT APPROVAL
June 23, 2020

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	80483 - 80653	80499 - 80672	1 - 3 3 - 4	\$ 569,615.09
Checks & Customer Refund Payments (CHK)	79205 - 79252		5 - 8	\$ 142,100.05
Electronic Fund Transfer (WIRE) Payments	5379 - 5393		9 - 10	\$ 749,920.09
Residential Conservation Rebates:				
Credits on Customer Accounts			11	\$ 260.00
Purchase Card Detail:				
	May 2020		12 - 15	
Payroll:				
Direct Deposit - 06/11/20	80500 - 80652			\$ 394,882.24
TOTAL				\$ 1,856,777.47
Void DD				
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

Reviewed by:

Approved by:

 Rick Dunn, General Manager

 Jeffrey D. Hall, President

 Lori Kays-Sanders, Vice-President

 Barry A. Bush, Secretary

06/15/2020 7:55:40 AM

Accounts Payable Check Register

06/01/2020 To 06/14/2020

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
80483 06/03/2020	DD	2872	A W REHN & ASSOC	FSA Medical/Dep Care Admin Fee	162.00
80484 06/03/2020	DD	811	AUS WEST LOCKBOX	Weekly Svc	30.52
				Weekly Svc	36.95
				Weekly Svc	44.24
				Weekly Svc	40.61
Total for Check/Tran - 80484:					152.32
80485 06/03/2020	DD	613	CAMPBELL & COMPANY	REEP	500.00
80486 06/03/2020	DD	57	CONSOLIDATED ELECTRICAL DISTRIB	couplings material	324.71
Total for Check/Tran - 80486:					1,324.57
					1,649.28
80487 06/03/2020	DD	3742	EMPLOYMENT SCREENING SERVICES, I	Screening Svc	133.00
80488 06/03/2020	DD	79	GENERAL PACIFIC, INC.	Insulator pin	1,837.51
80489 06/03/2020	DD	3154	IVOXY CONSULTING, LLC	Software/License Renewal	23,666.66
80490 06/03/2020	DD	3343	MOSS ADAMS, LLP	Auditing Svc	20,000.00
80491 06/03/2020	DD	919	NOANET	Alden Correction	750.21
80492 06/03/2020	DD	1241	PARAMOUNT COMMUNICATIONS, INC.	XYTel relocate fiber gateway	849.25
				Henager & Black	302.18
				Henager & Black	16,766.59
				Clearwater & Edison	6,856.67
				Clearwater & Edison	15,691.18
				T-MobileVinter richland Square	1,531.26
				T-MobileVinter richland Square	9,730.02
Total for Check/Tran - 80492:					51,727.15
80493 06/03/2020	DD	10561	POWER & TELEPHONE SUPPLY COMPA	antennas	4,783.84
80494 06/03/2020	DD	2777	JOHN THARP	Electrical License Renewal	72.70
80495 06/03/2020	DD	1163	TYNDALE ENTERPRISES, INC.	Clothing-Neswick	859.30
				Clothing-Wales	491.80

06/15/2020 7:55:40 AM

Accounts Payable Check Register

06/01/2020 To 06/14/2020

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Clothing-Hartzell/Thometz	298.66
Total for Check/Tran - 80495:					1,649.76
80496 06/03/2020	DD	3098	US BANK CORPORATE PAYMENT SYST	Admin Prg Mgr PCard - Credit	-1,002.91
				Auto Shop PCard	13,394.88
				Engineering Prg Mgr PCard	1,880.37
				Info Svc Prg Mgr PCard	8,958.20
				Human Resources PCard	6,338.14
				Operations Prg Mgr PCard	61.08
				Maintenance 1 PCard	1,529.05
				Contracts & Purchasing PCard	11,793.83
				Operations Prosser PCard	212.27
				Communications & Gov Rel PCard	1,711.89
				Transformer Shop PCard	4,260.01
				Maintenance PCard	3,638.28
				Power Mgmt PCard	2,605.00
				Cust Svc PCard	1,575.07
				Warehouse Pcard	16,188.90
				Finance & Business Svc PCard	5.95
Total for Check/Tran - 80496:					73,150.01
80497 06/03/2020	DD	4168	WALKER & ASSOCIATES INC.	Software	1,034.00
				Software	14,676.20
				Credt for taxes on inv #IN00962547	-177.68
Total for Check/Tran - 80497:					15,532.52
80498 06/03/2020	DD	575	WELLS FARGO BANK	EE Dental	3,050.81
				EE Health	10,557.81
				ER Health	165,037.09
				EE Dental	677.58
				ER Dental	16,299.15
Total for Check/Tran - 80498:					195,622.44

06/15/2020 7:55:40 AM

Accounts Payable Check Register

06/01/2020 To 06/14/2020

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
80499 06/03/2020	DD	182	WESCO DISTRIBUTION	barrier block	23.46
80653 06/10/2020	DD	1736	A W REHN & ASSOCIATES,INC.	Flex Spending Dependent Care Flex Spending Health Care	384.62 1,634.62
Total for Check/Tran - 80653:					2,019.24
80654 06/10/2020	DD	963	ANIXTER INC.	material arm bracket Reel Deposit Returns	6,082.85 3,600.09 -1,800.00
Total for Check/Tran - 80654:					7,882.94
80655 06/10/2020	DD	811	AUS WEST LOCKBOX	Weekly Svc Weekly Svc WEekly Svc Weekly Svc	36.95 44.24 40.61 30.52
Total for Check/Tran - 80655:					152.32
80656 06/10/2020	DD	613	CAMPBELL & COMPANY	REEP Contractor Rebate - REEP	500.00 1,100.00
Total for Check/Tran - 80656:					1,600.00
80657 06/10/2020	DD	2972	COMPUNET, INC.	Cisco Gear for R100 TGBs	10,598.82
80658 06/10/2020	DD	3742	EMPLOYMENT SCREENING SERVICES, I	Screening Svc	146.50
80659 06/10/2020	DD	412	ERMCO	transformer	29,697.76
80660 06/10/2020	DD	79	GENERAL PACIFIC, INC.	wire Material	2,408.47 2,594.45
Total for Check/Tran - 80660:					5,002.92
80661 06/10/2020	DD	3018	HRA VEBA TRUST	MSA/VEBA Trust - ER MSA/VEBA Trust - ER CDHP MSA/VEBA Trust - ER Wellness	7,400.00 2,229.16 20,700.00
Total for Check/Tran - 80661:					30,329.16
80662 06/10/2020	DD	1818	IBEW LOCAL 77	IBEW A Dues Assessment	3,359.15

06/15/2020 7:55:40 AM

Accounts Payable Check Register

06/01/2020 To 06/14/2020

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				IBEW BA Dues Assessment	5,549.49
Total for Check/Tran - 80662:					8,908.64
80663	06/10/2020	DD	990	INSIGHT PUBLIC SECTOR INC.	37,234.42
80664	06/10/2020	DD	1632	INTERCONTINENTAL EXCHANGE, INC.	375.00
80665	06/10/2020	DD	214	JACOBS & RHODES	500.00
				REEP	500.00
				REEP	500.00
				REEP	1,100.00
Total for Check/Tran - 80665:					2,600.00
80666	06/10/2020	DD	3430	JESSICA MARSHALL	50.00
80667	06/10/2020	DD	950	MSA VEBA TRUST	36,117.97
80668	06/10/2020	DD	919	NOANET	1,029.99
80669	06/10/2020	DD	3696	SUMMIT LAW GROUP, PLLC	231.00
80670	06/10/2020	DD	1163	TYNDALE ENTERPRISES, INC.	439.83
80671	06/10/2020	DD	1048	UNITED WAY OF BENTON & FRANKLIN	391.97
80672	06/10/2020	DD	182	WESCO DISTRIBUTION	3,393.75

Total Payments for Bank Account - 1 :	(37)	569,615.09
Total Voids for Bank Account - 1 :	(0)	0.00
Total for Bank Account - 1 :	(37)	569,615.09

06/15/2020 7:55:40 AM

Accounts Payable Check Register

06/01/2020 To 06/14/2020

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
79205 06/03/2020	CHK	259	BENTON FRANKLIN COMMUNITY ACTI	Helping Hands	1,986.25
79206 06/03/2020	CHK	35	BENTON PUD - CUSTOMER ACCOUNT D	Monthly Billing	453.28
79207 06/03/2020	CHK	3344	BOYD'S TREE SERVICE, LLC	Tree trimming Svc	7,940.48
				Tree Trimming Svc	8,701.62
				Tree Trimming Svc	4,962.80
				Stump grinding/clean-up	4,560.00
				Tree Trimming Svc	7,940.48
				Tree Trimming Svc	7,940.48
				Tree Trimming Svc	1,985.12
Total for Check/Tran - 79207:					44,030.98
79208 06/03/2020	CHK	10166	BYRNES OIL COMPANY, INC.	Fuel Svc	360.90
				Fuel Svc	4,812.26
Total for Check/Tran - 79208:					5,173.16
79209 06/03/2020	CHK	3520	CI INFORMATION MANAGEMENT	Storage Svc	68.98
79210 06/03/2020	CHK	3286	PACIFIC FIRE INSPECTION SERVICES	Fire Sprinkler Inspection	1,365.00
79211 06/03/2020	CHK	2176	PACIFIC OFFICE AUTOMATION, INC.	Monthly Billing	25.34
79212 06/03/2020	CHK	128	PERFECTION GLASS, INC.	REEP	1,026.00
				REEP	177.24
Total for Check/Tran - 79212:					1,203.24
79213 06/03/2020	CHK	3054	PROFESSIONAL CREDIT SERVICE (PCS)	Debt Collection svc	437.00
79214 06/03/2020	CHK	10212	QCL, INC.	Employment Screening Test	69.99
79215 06/03/2020	CHK	141	RICHLAND, CITY OF	800 MHZ Usage Fee	8,150.40
79216 06/03/2020	CHK	1116	STRUCTURAL DIAGNOSTIC TESTING	Truck Structural Diagnostic testing	7,700.00
79217 06/03/2020	CHK	193	UNITED PARCEL SERVICE OF AMERICA	mailing svc	31.78
79218 06/03/2020	CHK	1304	US CELLULAR	Monthly Billing	148.50
79219 06/03/2020	CHK	992	VERIZON NORTHWEST	Monthly Billing	195.25

06/15/2020 7:55:40 AM

Accounts Payable Check Register

06/01/2020 To 06/14/2020

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Monthly Billing	1,387.42
				Monthly Billing	147.00
				Monthly Billing	166.97
				Monthly Billing	147.00
				Monthly Billing	96.60
				Monthly Billing	58.57
				Total for Check/Tran - 79219:	2,198.81
79220 06/03/2020	CHK	10649	ZIPLY FIBER	Monthly Billing	2,075.22
79221 06/03/2020	CHK	99999	ESTEBAN ANGELES	Credit Balance Refund	155.68
79222 06/03/2020	CHK	99999	NICOLE C HAMMOND	Credit Balance Refund	34.89
79223 06/03/2020	CHK	99999	RUSSELL JOHNSON MILLER	Credit Balance Refund	61.45
79224 06/03/2020	CHK	99999	ROSA E LEMOS	Credit Balance Refund	62.96
79225 06/03/2020	CHK	99999	CYNTHIA N MADRIGAL	Credit Balance Refund	36.10
79226 06/03/2020	CHK	99999	RAE MARTIN	Credit Balance Refund	232.43
79227 06/03/2020	CHK	99999	PARKER PRUNEDA	Credit Balance Refund	57.49
79228 06/03/2020	CHK	99999	KANDIE R ROWLETT	Credit Balance Refund	198.92
79229 06/03/2020	CHK	99999	YOLANDA SALDANA	Credit Balance Refund	46.95
79230 06/03/2020	CHK	99999	DAVE A SITTMAN	Credit Balance Refund	325.00
79231 06/03/2020	CHK	99999	MIGUEL A URSUA	Credit Balance Refund	172.20
79232 06/10/2020	CHK	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	7,940.48
				Tree Trimming Svc	7,421.59
				Tree Trimming Svc	6,352.38
				Total for Check/Tran - 79232:	21,714.45
79233 06/10/2020	CHK	2831	CORRECTIONAL INDUSTRIES	Chair	370.33
79234 06/10/2020	CHK	243	FEDERAL EXPRESS CORP	Mailing Svc	9.78

06/15/2020 7:55:40 AM

Accounts Payable Check Register

06/01/2020 To 06/14/2020

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
79235 06/10/2020	CHK	2941	FIRE PROTECTION SPECIALISTS LLC	Fire Alarm Inspection - Annual	1,151.16
				Fire Alarm Inspection - Annual	754.77
Total for Check/Tran - 79235:					1,905.93
79236 06/10/2020	CHK	2176	PACIFIC OFFICE AUTOMATION, INC.	Monthly billing	9.78
79237 06/10/2020	CHK	962	PACIFIC POWER	Monthly Billing	540.18
79238 06/10/2020	CHK	128	PERFECTION GLASS, INC.	REEP	1,108.68
79239 06/10/2020	CHK	135	PROSSER, CITY OF	Monthly Billing	10.28
				Monthly Billing	1,551.24
				Monthly Billing	804.90
				Monthly Billing	1.10
Total for Check/Tran - 79239:					2,367.52
79240 06/10/2020	CHK	10212	QCL, INC.	Employee Drug Testing	657.72
79241 06/10/2020	CHK	149	SMITH INSULATION, INC.	REEP	2,901.60
79242 06/10/2020	CHK	293	WEST RICHLAND, CITY OF	Purveyor Conduit Installation	23,202.39
79243 06/10/2020	CHK	10668	ZION CARPET, INC.	Retainage Release Pymt PO52941-Silverbow	9,269.98
79244 06/10/2020	CHK	10649	ZIPLY FIBER	Monthly Billing	95.68
79245 06/10/2020	CHK	99999	KEITH W BUCK	Credit Balance Refund	96.00
79246 06/10/2020	CHK	99999	JAYME CHUNG	Credit Balance Refund	294.93
79247 06/10/2020	CHK	99999	PAUL J ERICKSON	Credit Balance Refund	77.15
79248 06/10/2020	CHK	99999	PEDRO ESTRADA	Credit Balance Refund	89.00
79249 06/10/2020	CHK	99999	HUNTER J EVANSON	Credit Balance Refund	47.15
79250 06/10/2020	CHK	99999	ANGIE HEITZ	Credit Balance Refund	34.12
79251 06/10/2020	CHK	99999	MICHAEL W RUSSELL	Credit Balance Refund	377.55
79252 06/10/2020	CHK	99999	T&M CONSTRUCTION	Credit Balance Refund	428.13

06/15/2020 7:55:40 AM

Accounts Payable Check Register

Page 8

06/01/2020 To 06/14/2020

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total Payments for Bank Account - 2 :					(48) 142,100.05
Total Voids for Bank Account - 2 :					(0) 0.00
Total for Bank Account - 2 :					(48) 142,100.05
Grand Total for Payments :					(85) 711,715.14
Grand Total for Voids :					(0) 0.00
Grand Total :					(85) 711,715.14

06/15/2020 10:37:59 AM

Accounts Payable Check Register

ALL

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
5379 06/02/2020	WIRE	169	ENERGY NORTHWEST	Purchased Power	31,865.18
				Co-Location Rent	403.28
				Purchased Power 5/20	161,035.13
Total for Check/Tran - 5379:					193,303.59
5381 05/28/2020	WIRE	171	WASH STATE DEPT RETIREMENT SYS	PERS-ER	70,694.60
				PERS Plan 2	39,847.12
				PERS Plan 3A 5% All Ages	1,540.82
				PERS Plan 3B 5% Up to Age 35	361.56
				PERS Plan 3E 10% All Ages	728.40
				PERS Plan 2	131.67
				PERS - ER	214.34
Total for Check/Tran - 5381:					113,518.51
5382 06/05/2020	WIRE	925	KLICKITAT COUNTY PUD		4,058.46
5385 06/08/2020	WIRE	1680	MORGAN STANLEY	Purchased Power	5,550.00
5386 06/08/2020	WIRE	10084	CITI MERCHANT SERVICES	Merchant Fees 5/20	28,591.67
5387 06/11/2020	WIRE	2205	UNITED STATES TREASURY	Federal Income Tax	71,066.18
				Medicare - Employee	9,094.27
				Medicare - Employer	9,094.27
				Social Security - Employee	38,885.98
				Social Security - Employer	38,885.98
Total for Check/Tran - 5387:					167,026.68
5388 06/11/2020	WIRE	1567	ICMA RETIREMENT CORP	Deferred Comp - ER	16,107.65
				457(b) Leave EE Contribution	1,162.41
				457(b) Roth EE Contribution	4,631.95
				Plan A 457(b) Employee Contribution	6,172.17
				Plan B 457(b) Employee Contribution	20,210.42
				Plan C 401(a) Option 1 EE Contribution	3,646.33
				Plan C 401(a) Option 2 EE Contribution	1,358.13
				Plan C 401(a) Option 4, Step 1 EE Contri	317.71

06/15/2020 10:37:59 AM

Accounts Payable Check Register

ALL

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Plan C 401(a) Option 4, Step 2 EE Contri	572.74
				Plan C 401(a) Option 4, Step 3 EE Contri	1,377.54
				Plan C 401(a) Option 4, Step 4 EE Contri	741.31
				Plan C 401(a) Option 5, Step 4 EE Contri	1,828.89
				Plan C 457(b) Employee Contribution	3,866.73
				Total for Check/Tran - 5388:	61,993.98
5389 06/11/2020	WIRE	171	WASH STATE DEPT RETIREMENT SYS	PERS - ER	76,733.98
				PERS Plan 2	43,476.92
				PERS Plan 3A 5% All Ages	1,591.59
				PERS Plan 3B 5% Up to Age 35	361.56
				PERS Plan 3E 10% All Ages	728.40
				Total for Check/Tran - 5389:	122,892.45
5390 06/11/2020	WIRE	437	WASH STATE DEPT SUPPORT REGIST	Garnishment - Child Support	925.25
5391 06/12/2020	WIRE	3194	EDF TRADING NORTH AMERICA, LLC	Purchased Power 5/20	16,818.70
5392 06/12/2020	WIRE	1680	MORGAN STANLEY	Purchased Power	22,058.00
5393 06/12/2020	WIRE	3844	MACQUARIE ENERGY N. AMERICA TRA		13,182.80

Total Payments for Bank Account - 1 :	(12)	749,920.09
Total Voids for Bank Account - 1 :	(0)	0.00
Total for Bank Account - 1 :	(12)	749,920.09
Grand Total for Payments :	(12)	749,920.09
Grand Total for Voids :	(0)	0.00
Grand Total :	(12)	749,920.09



BENTON PUD - RESIDENTIAL CONSERVATION REBATE DETAIL

<u>Date</u>	<u>Customer</u>	<u>Rebate Amount</u>	<u>Rebate Description</u>
06/08/2020	LARRY BROSE	\$ 100.00	Rebate - Smart Thermostat
06/08/2020	STEVEN COLE	\$ 30.00	Rebate - Energy Star Clothes Washer
06/08/2020	STEVEN COLE	\$ 50.00	Rebate - Energy Star Clothes Dryer
06/08/2020	WILLIAM ROGERS	\$ 30.00	Rebate - Energy Star Clothes Washer
06/08/2020	WILLIAM ROGERS	\$ 50.00	Rebate - Energy Star Clothes Dryer

\$ 260.00

Payment Date	Department	Payment		Description	Transaction Amount	GL		
		Amount	Vendor Name			Account	Dept	Activity
5/15/2020	AUTO SHOP	4,276.93	CUMMINS INC - 09	#166, fuel pump	4,276.93	184.12	37	16
5/15/2020	AUTO SHOP	55.35	JIMS PACIFIC GARAGES	#166, water sensor	55.35	184.12	37	16
5/15/2020	AUTO SHOP	-366.21	PASCO A-PTS 0027915	credit, parts return	-366.21	184.12	37	16
5/15/2020	AUTO SHOP	329.22	PASCO A-PTS 0027915	filters, wiperblades & DEF	329.22	184.12	37	16
5/15/2020	AUTO SHOP	74.98	CLEARWATER NAPA	#13, window regulator	74.98	184.12	37	16
5/15/2020	AUTO SHOP	-475.13	CUMMINS INC - 09	credit, core return	-475.13	184.12	37	16
5/15/2020	AUTO SHOP	1.36	PASCO A-PTS 0027915	#147, drain plug gasket	1.36	184.12	37	16
5/15/2020	AUTO SHOP	132.08	PASCO A-PTS 0027915	#147, battery	132.08	184.12	37	16
5/15/2020	AUTO SHOP	68.92	PASCO A-PTS 0027915	#148, headlight switch	68.92	184.12	37	16
5/15/2020	AUTO SHOP	24.22	PASCO A-PTS 0027915	#13, window channel	24.22	184.12	37	16
5/15/2020	AUTO SHOP	16.42	PASCO A-PTS 0027915	#99, oil filter	16.42	184.12	37	16
5/15/2020	AUTO SHOP	631.90	CO-ENERGY PSC CN	Isopropyl alcohol 55 gal	631.90	184.12	37	16
5/15/2020	AUTO SHOP	69.81	PASCO A-PTS 0027915	alcohol spray bottle	69.81	184.12	37	16
5/15/2020	AUTO SHOP	5.00	JIMS PACIFIC GARAGES	tr1116, brake diaphragm	5.00	184.12	37	16
5/15/2020	AUTO SHOP	7.36	PASCO A-PTS 0027915	#182, syn oil	7.36	184.12	37	16
5/15/2020	AUTO SHOP	3.82	PASCO A-PTS 0027915	#182, hyd filter	3.82	184.12	37	16
5/15/2020	AUTO SHOP	26.72	PASCO A-PTS 0027915	#201, oil filter	26.72	184.12	37	16
5/15/2020	AUTO SHOP	602.82	PASCO TIRE FACTORY COMME	17.5" trailer tires	602.82	184.12	37	16
5/15/2020	AUTO SHOP	17.63	O'REILLY AUTO PARTS 3630	#13, window track	17.63	184.12	37	16
5/15/2020	AUTO SHOP	310.85	PASCO A-PTS 0027915	#184, brake pads & rotors	310.85	184.12	37	16
5/15/2020	AUTO SHOP	368.38	PASCO A-PTS 0027915	filters, DEF & safety gloves	368.38	184.12	37	16
5/15/2020	AUTO SHOP	97.18	JIMS PACIFIC GARAGES	#128, turn signal switch	97.18	184.12	37	16
5/15/2020	AUTO SHOP	35.75	CLEARWATER NAPA	#205, tow strap	35.75	184.12	37	16
5/15/2020	AUTO SHOP	79.71	CLEARWATER NAPA	#58, crank sensor	79.71	184.12	37	16
5/15/2020	AUTO SHOP	290.09	CO-ENERGY PSC CN	synthetic oils	290.09	184.12	37	16
5/15/2020	AUTO SHOP	521.94	TEREX GLOBAL GMBH 1	#187, driveline	521.94	184.12	37	16
5/15/2020	AUTO SHOP	26.00	CLEARWATER NAPA	#01, oil	26.00	184.12	37	16
5/15/2020	AUTO SHOP	1,901.98	PASCO TIRE FACTORY COMME	8 trailer tires	1,901.98	184.12	37	16
5/15/2020	AUTO SHOP	66.92	SPECK BUICK GMC OF TRI	#205,tire pressure sensor	66.92	184.12	37	16
5/15/2020	AUTO SHOP	24.00	AUTOBAHN AUTO CARE CENTER	#177 & 193, car washes	24.00	184.12	37	16
5/15/2020	AUTO SHOP	225.18	DIRECT AUTO DISTRIBUTING	#58, fuel pump	225.18	184.12	37	16
5/15/2020	AUTO SHOP	8.96	PASCO A-PTS 0027915	#58, fuel filter	8.96	184.12	37	16
5/15/2020	AUTO SHOP	27.80	PASCO A-PTS 0027915	#157, wiper blades	27.80	184.12	37	16
5/15/2020	AUTO SHOP	22.34	JIMS PACIFIC GARAGES	#128, door hinge	22.34	184.12	37	16
5/15/2020	AUTO SHOP	34.90	CLEARWATER NAPA	alcohol sprayer	34.90	184.12	37	16
5/15/2020	AUTO SHOP	52.10	FARMERS EXCHANGE	alcohol sprayers	52.10	184.12	37	16
5/15/2020	AUTO SHOP	120.87	PARR LUMBER CO - 24	tr1147, deck wood	120.87	184.12	37	16
5/15/2020	AUTO SHOP	17.27	PARR LUMBER CO - 24	tr1147, deck wood	17.27	184.12	37	16
5/15/2020	AUTO SHOP	69.81	PASCO A-PTS 0027915	alcohol sprayers	69.81	184.12	37	16
5/15/2020	AUTO SHOP	3.53	PASCO A-PTS 0027915	#213, oil filter	3.53	184.12	37	16
5/15/2020	AUTO SHOP	2,820.13	TEREX USA	#187, tech labor	2,820.13	184.12	37	16
5/15/2020	AUTO SHOP	707.39	ALTEC INDUSTRIES, INC	#176, capstan wheel	707.39	184.12	37	16
5/15/2020	AUTO SHOP	18.45	O'REILLY AUTO PARTS 3630	#120, str wheel cover	18.45	184.12	37	16
5/15/2020	AUTO SHOP	149.56	PASCO A-PTS 0027915	filters DEF & fuses	149.56	184.12	37	16
5/15/2020	AUTO SHOP	17.56	JIMS PACIFIC GARAGES	#167, switch & cap	17.56	184.12	37	16
5/15/2020	AUTO SHOP	-126.97	CO-ENERGY PSC CN	credit, mischarge	-126.97	184.12	37	16
5/15/2020	COMMUNICATIONS GOV REL	455.95	E AND M CONSULTING INC	Development Map	455.95	910	12	119
5/15/2020	COMMUNICATIONS GOV REL	59.15	DEX MED INC	Digital Advertising	59.15	910	12	119
5/15/2020	COMMUNICATIONS GOV REL	439.70	CULVER COMPANY INC	Promotional items pens	439.70	910	12	119
5/15/2020	COMMUNICATIONS GOV REL	12.48	FRED-MEYER #0163	USB for Videos	12.48	921	12	33
5/15/2020	COMMUNICATIONS GOV REL	19.96	THE SEATTLE TIMES	Seattle Times Subscription	19.96	910	12	119
5/15/2020	COMMUNICATIONS GOV REL	300.00	TUDECIDESMEDIA	Spanish Advertising	300.00	910	12	119
5/15/2020	COMMUNICATIONS GOV REL	90.00	NWPPA	PR training Webinar NWPPA	90.00	921	12	42
5/15/2020	COMMUNICATIONS GOV REL	275.50	PROSSER RECORD BULLETIN	Prosser Record Bulletin Ad	275.50	910	12	119
5/15/2020	COMMUNICATIONS GOV REL	59.15	DEX MED INC	Digital Advertising	59.15	910	12	119

Payment Date	Department	Payment		Description	Transaction Amount	GL		
		Amount	Vendor Name			Account	Dept	Activity
5/15/2020	CONTRACTS-PURCHASING	1,511.52	AMZN MKTP US*F071V78F3	Forehead Thermometers	1,511.52	588	38	104
5/15/2020	CONTRACTS-PURCHASING	9,972.31	COMPLETE OFFICE LLC	Face Masks	9,972.31	588	38	104
5/15/2020	CONTRACTS-PURCHASING	310.00	NIGP - IWEB	NIGP - Training for Levi	310.00	921	17	43
5/15/2020	FINANCE & BUSINESS SVCS	5.95	ESMARTPAYROLL PAYCHECKMA	Esmart Payroll Q12020	5.95	921	11	33
5/15/2020	MAINTENANCE	496.30	IRRIGATION SPECIALISTS IN	Sprinklers for admin.	496.30	935	38	37
5/15/2020	MAINTENANCE	479.68	APEX CONTROLS	valve motors	479.68	935	38	38
5/15/2020	MAINTENANCE	515.85	H AND N ELECTRIC A TIMKEN	pump alignment	515.85	935	38	38
5/15/2020	MAINTENANCE	63.89	GRAINGER	handheld sprayer	63.89	598.1	38	38
5/15/2020	MAINTENANCE	75.87	GRAINGER	spray tank wrong one	75.87	598.1	38	38
5/15/2020	MAINTENANCE	109.27	TACOMA SCREW PRODUCTS PA	bolts and washers	109.27	598.1	38	38
5/15/2020	MAINTENANCE	390.96	3627 CED	Aduitorum lamps	390.96	935	38	38
5/15/2020	MAINTENANCE	33.69	GRAINGER	pliers	33.69	598.1	38	14
5/15/2020	MAINTENANCE	312.72	JMAC SUPPLY	Key pad for gates	312.72	935.04	38	38
5/15/2020	MAINTENANCE	266.08	GRAINGER	Swamp Cooler Pumps	266.08	598.1	38	38
5/15/2020	MAINTENANCE	322.51	3627 CED	lamps for admin.Exterior	322.51	935	38	38
5/15/2020	MAINTENANCE	7.13	GRAINGER	Hasp for restroom	7.13	598.1	38	38
5/15/2020	MAINTENANCE	94.44	GEMPLER'S	Spray gear	94.44	598.1	38	17
5/15/2020	MAINTENANCE	34.48	GRAINGER	doublesided tape for signs	34.48	598.1	38	38
5/15/2020	MAINTENANCE	5.84	GRAINGER	gate hasp	5.84	598.1	38	38
5/15/2020	MAINTENANCE	16.94	GRAINGER	gate hasp	16.94	935	38	38
5/15/2020	MAINTENANCE	-54.50	GRAINGER	wrong spray tank	-54.50	598.1	38	38
5/15/2020	MAINTENANCE	467.13	GRAINGER	swamp cooler bearings	467.13	598.1	38	38
5/15/2020	MAINTENANCE 1	106.88	KIE SUPPLY - KENNWICK	sprinklers	106.88	935.04	38	38
5/15/2020	MAINTENANCE 1	300.61	THERMAL SUPPLY 21	refridgerant	300.61	935	38	38
5/15/2020	MAINTENANCE 1	265.70	IRRIGATION SPECIALISTS IN	pvc parts	265.70	598.1	38	37
5/15/2020	MAINTENANCE 1	602.82	A & M SUPPLY INC	v-belts	602.82	935	38	38
5/15/2020	MAINTENANCE 1	253.04	HELENA 44086	spray	253.04	598.1	38	17
5/15/2020	CUST SRVCE PROG MNGR	60.46	OFFICE DEPOT #1078	Supplies/UN Paper & Shred Bags	60.46	903	44	33
5/15/2020	CUST SRVCE PROG MNGR	172.67	FP MAILING SOLUTIONS	K-Postage Machine Rental	172.67	903	44	30
5/15/2020	CUST SRVCE PROG MNGR	718.56	SP * CROWD CONTROL WAR	Covid Crowd Control	431.14	903	44	33
5/15/2020	CUST SRVCE PROG MNGR	0.00	SP * CROWD CONTROL WAR	Covid Crowd Control	287.42	903	42	33
5/15/2020	CUST SRVCE PROG MNGR	90.37	DK HARDWARE SUPPLY LLC	COVID Speak-Thru's	90.37	903	44	33
5/15/2020	CUST SRVCE PROG MNGR	68.33	FRED-MEYER #0163	COVID Cleaning Supplies	68.33	903	44	33
5/15/2020	CUST SRVCE PROG MNGR	240.18	KROY SIGN SYSTEMS	COVID Signage Holders	168.13	903	44	33
5/15/2020	CUST SRVCE PROG MNGR	0.00	KROY SIGN SYSTEMS	COVID Signage Holders	72.05	903	42	33
5/15/2020	CUST SRVCE PROG MNGR	209.12	KROY SIGN SYSTEMS	COVID Signage Holders	146.38	903	44	33
5/15/2020	CUST SRVCE PROG MNGR	0.00	KROY SIGN SYSTEMS	COVID Signage Holders	62.74	903	42	33
5/15/2020	CUST SRVCE PROG MNGR	15.38	FRED-MEYER #0163	COVID Cleaning Supplies	15.38	903	44	33
5/15/2020	ENGINEERING PROG MNGR	540.00	ARNETT INDUSTRIES	Test Cable Sample Accept Test	540.00	588	21	61
5/15/2020	ENGINEERING PROG MNGR	148.45	TIMBER PRODUCTS INSPECTIO	UPD West Inspection	148.45	588	21	61
5/15/2020	ENGINEERING PROG MNGR	116.00	DOL - PROFESSIONAL LICEN	Colby-PE license renewal	116.00	588	21	72
5/15/2020	ENGINEERING PROG MNGR	349.21	POWER STREAM TECHNOL	Berrian Tap/DC-DC Converter	174.61	107.1	21	127
5/15/2020	ENGINEERING PROG MNGR	0.00	POWER STREAM TECHNOL	Paterson Tap/DC-DC Converter	174.60	107.1	21	127
5/15/2020	ENGINEERING PROG MNGR	140.15	DKC*DIGI KEY CORP	Berrian Tap/power supply	70.07	107.1	21	127
5/15/2020	ENGINEERING PROG MNGR	0.00	DKC*DIGI KEY CORP	Paterson Tap/power supply	70.08	107.1	21	127
5/15/2020	ENGINEERING PROG MNGR	146.62	ARNETT INDUSTRIES	Cable testing	146.62	588	21	61
5/15/2020	ENGINEERING PROG MNGR	439.94	ARNETT INDUSTRIES	Cable testing	439.94	588	21	61
5/15/2020	INFO SRVCS PROG MNGR	58.63	AMAZON.COM*O28248833 AMZN	Cables DVI	58.63	921	15	26
5/15/2020	INFO SRVCS PROG MNGR	39.08	AMZN MKTP US*DM6XQ0CV3 AM	Bluetooth mice	39.08	921	15	26
5/15/2020	INFO SRVCS PROG MNGR	35.82	AMZN MKTP US*G71BX0G33	Headset for CSR	35.82	921	15	26
5/15/2020	INFO SRVCS PROG MNGR	32.24	AMZN MKTP US*ZL8VY4HR3	Headset for CSR	32.24	921	15	26
5/15/2020	INFO SRVCS PROG MNGR	35.82	AMZN MKTP US*LJ9GT7AI3	Headset for CSR	35.82	921	15	26
5/15/2020	INFO SRVCS PROG MNGR	129.98	SPECTRUM	backup internet	129.98	921	15	50
5/15/2020	INFO SRVCS PROG MNGR	2,516.81	EATON POWER QUALITY	past due invoice for support	2,516.81	921	15	28
5/15/2020	INFO SRVCS PROG MNGR	254.12	AMZN MKTP US*2W3TL0AB3	Replacement printer Seger	254.12	921	15	26

Payment Date	Department	Payment		Description	Transaction Amount	GL		
		Amount	Vendor Name			Account	Dept	Activity
5/15/2020	INFO SRVCS PROG MNGR	2,139.74	CDW GOVT #XTJ2157	Executive team surface	2,139.74	921	15	26
5/15/2020	INFO SRVCS PROG MNGR	205.31	CDW GOVT #XTQ1187	Executive team surface	205.31	921	15	26
5/15/2020	INFO SRVCS PROG MNGR	195.36	AMZN MKTP US*MC8RE3290	wireless charger x12	195.36	921	15	26
5/15/2020	INFO SRVCS PROG MNGR	1,893.62	BEYOND TRUST CORPORATION	Support renewal Powerbroker	1,893.62	921	15	25
5/15/2020	INFO SRVCS PROG MNGR	1,421.67	AMAZON.COM*MC0SH7KS1	scanner for Purdom	1,421.67	921	15	26
5/15/2020	OPERATIONS PROG MNGR	61.08	CDW GOVT #XVH0993	Plotter Paper	61.08	588	31	33
5/15/2020	POWER MGMT PROG MNGR	425.00	AMER PUBLIC POWER ASSO	Scherer-Data Analysis Virtual	425.00	557	51	43
5/15/2020	POWER MGMT PROG MNGR	2,180.00	NEEC	Frost-2020 Bothell Level 1	2,180.00	908.32	45	43
5/15/2020	WAREHOUSE PROG MNGR	167.65	BDI TRANSFER	YARD WASTE DISPOSAL	167.65	598.1	32	17
5/15/2020	WAREHOUSE PROG MNGR	144.52	BDI TRANSFER	YARD WASTE DISPOSAL	144.52	598.1	32	17
5/15/2020	WAREHOUSE PROG MNGR	195.11	BDI TRANSFER	YARD WASTE DISPOSAL	195.11	598.1	32	17
5/15/2020	WAREHOUSE PROG MNGR	182.10	BDI TRANSFER	YARD WASTE DISPOSAL	182.10	598.1	32	17
5/15/2020	WAREHOUSE PROG MNGR	32.15	THE HOME DEPOT #4739	CONCRETE MIX	32.15	588	39	104
5/15/2020	WAREHOUSE PROG MNGR	169.10	BDI TRANSFER	YARD WASTE DISPOSAL	169.10	598.1	32	17
5/15/2020	WAREHOUSE PROG MNGR	196.55	BDI TRANSFER	YARD WASTE DISPOSAL	196.55	598.1	32	17
5/15/2020	WAREHOUSE PROG MNGR	179.93	BDI TRANSFER	YARD WASTE DISPOSAL	179.93	598.1	32	17
5/15/2020	WAREHOUSE PROG MNGR	437.18	BDI TRANSFER	YARD WASTE DISPOSAL	437.18	598.1	32	17
5/15/2020	WAREHOUSE PROG MNGR	136.14	FRED-MEYER #0163	COFFEE MAKER FOR NEW BK ROOMS	136.14	588	31	104
5/15/2020	WAREHOUSE PROG MNGR	2,870.30	VELOCITYEHS VT	RENEWAL MSDS ONLINE	2,870.30	588	38	27
5/15/2020	WAREHOUSE PROG MNGR	328.14	ARNETT INDUSTRIES	FIBERGLASS HANDLE	328.14	594.1	32	14
5/15/2020	WAREHOUSE PROG MNGR	31.43	AMZN MKTP US*2C5QJ87E3	METAL PEGS TO HANG TOOLS	31.43	163	39	13
5/15/2020	WAREHOUSE PROG MNGR	188.36	URM CASH N CARRY #3	ITEMS FOR SETTING UP BK ROOMS	188.36	588	39	104
5/15/2020	WAREHOUSE PROG MNGR	401.80	FRED-MEYER #0163	MICROWAVES - ADDITIONAL BK RMS	401.80	588	31	104
5/15/2020	WAREHOUSE PROG MNGR	1,690.90	ANIXTER INC - UPS	CLIMBING BELT - HOEGH	1,690.90	593.1	32	14
5/15/2020	WAREHOUSE PROG MNGR	38.15	MCDONALD'S F11889	MEALS FOR OT CREW	38.15	593.1	32	104
5/15/2020	WAREHOUSE PROG MNGR	4,105.08	WESCO - # 7883	N95 MASKS	4,105.08	903	39	104
5/15/2020	WAREHOUSE PROG MNGR	617.85	FRED-MEYER #0163	RET VISA CARD - JOHN/CHAR/BRAD	617.85	588	31	104
5/15/2020	WAREHOUSE PROG MNGR	288.78	ZORO TOOLS INC	SAFETY GLASSES	288.78	588	39	104
5/15/2020	WAREHOUSE PROG MNGR	198.60	AMZN MKTP US*FF73A6H63	BREATHABLE BANDANA	198.60	903	32	104
5/15/2020	WAREHOUSE PROG MNGR	205.95	FRED-MEYER #0163	RET VISA CARD - FROST	205.95	588	31	104
5/15/2020	WAREHOUSE PROG MNGR	348.61	GRAINGER	MARKING PAINT	348.61	594.1	39	17
5/15/2020	WAREHOUSE PROG MNGR	252.93	GRAINGER	HARD HATS	252.93	588	39	104
5/15/2020	WAREHOUSE PROG MNGR	460.35	PLATT ELECTRIC 006	DEPOSIT	460.35	594.1	39	17
5/15/2020	WAREHOUSE PROG MNGR	545.10	NICHE WEBSTORES INC	DISPOSABLE GLOVES	545.10	903	44	104
5/15/2020	WAREHOUSE PROG MNGR	441.19	ALMETEK INDUSTRIES	VERTICAL TAGS	441.19	594.1	39	17
5/15/2020	WAREHOUSE PROG MNGR	218.69	AMZN MKTP US*MC01N3K10 AM	CAR CHARGERS FOR IPADS	218.69	588	32	104
5/15/2020	WAREHOUSE PROG MNGR	168.18	GRAINGER	SAW BLADES	168.18	163	39	13
5/15/2020	WAREHOUSE PROG MNGR	417.14	GRAINGER	LENS WIPES	48.87	588	39	104
5/15/2020	WAREHOUSE PROG MNGR	0.00	GRAINGER	SAW BLADES	368.27	163	39	13
5/15/2020	WAREHOUSE PROG MNGR	-91.05	THE HOME DEPOT #4739	CREDIT FOR RETURN	-91.05	594.1	32	14
5/15/2020	WAREHOUSE PROG MNGR	91.05	THE HOME DEPOT #4739	KNIVES	91.05	594.1	32	14
5/15/2020	WAREHOUSE PROG MNGR	416.99	PAYPAL *MAIKAISIMAO	DISINFECTANT CLEANING WIPES	416.99	903	38	104
5/15/2020	WAREHOUSE PROG MNGR	113.95	AMZN MKTP US*MC25K8750	BREATHABLE BANDANA	56.97	588	32	104
5/15/2020	WAREHOUSE PROG MNGR	0.00	AMZN MKTP US*MC25K8750	BREATHABLE BANDANA	56.98	588	39	104
5/15/2020	ADMIN PROGRAM MANAGER	-2,250.00	NWPPA	conference credit - 3 C's	-2,250.00	930.2	1	42
5/15/2020	ADMIN PROGRAM MANAGER	69.50	IN *NORTHWEST BUSINESS ST	stamp - executive	69.50	921	1	33
5/15/2020	ADMIN PROGRAM MANAGER	205.95	WALGREENS #9596	retirement - paula ball	205.95	921	44	33
5/15/2020	ADMIN PROGRAM MANAGER	205.95	WALGREENS #9596	retirement - Terri Cole	205.95	921	1	33
5/15/2020	ADMIN PROGRAM MANAGER	765.69	INFINITE CONFERENCING INC	Conference call - Commission	765.69	921	1	42
5/15/2020	OPERATIONS PROSSER	126.44	NORTHWEST FARM SUPPLY	fence supplies	126.44	588	32	14
5/15/2020	OPERATIONS PROSSER	85.83	PLATT ELECTRIC 024	meter base	85.83	588	32	14
5/15/2020	HUMAN RESOURCES	646.17	MILLIMAN COMPENSATION	Salary Surveys-Milliman	646.17	921	2	45
5/15/2020	HUMAN RESOURCES	90.00	LOURDES OCC HEALTH	Med Cert for CDL Physical	90.00	926.1	2	104
5/15/2020	HUMAN RESOURCES	1,080.57	MILLIMAN COMPENSATION	Salary Surveys-Milliman	1,080.57	921	2	45
5/15/2020	HUMAN RESOURCES	205.95	WALGREENS #9113	EE Recognitions(Retirement)	205.95	921	2	44

<u>Payment Date</u>	<u>Department</u>	<u>Payment</u>		<u>Description</u>	<u>Transaction Amount</u>	<u>GL</u>		
		<u>Amount</u>	<u>Vendor Name</u>			<u>Account</u>	<u>Dept</u>	<u>Activity</u>
5/15/2020	HUMAN RESOURCES	351.45	LOURDES OCC HEALTH	Recruitment-Physicals Screens	351.45	921	2	44
5/15/2020	HUMAN RESOURCES	3,390.80	HEALTH ENHANCEMENT SYSTEM	Local Wellness Activities	3,390.80	921	2	104
5/15/2020	HUMAN RESOURCES	130.00	TOTAL CARE CLINICS	Med Cert for CDL Physical	130.00	926.1	2	104
5/15/2020	HUMAN RESOURCES	443.20	LINKEDIN-462*8771296	Recruitment - Advertising	443.20	921	2	44
5/15/2020	TRANSFORMER SHOP	134.18	OXARC, INC-PASCO COUNTER	nitrogeen	134.18	595	35	17
5/15/2020	TRANSFORMER SHOP	45.00	MYELECTRICALCEU	Szendre CEU	45.00	588	35	42
5/15/2020	TRANSFORMER SHOP	65.00	MYELECTRICALCEU	Szendre CEU	65.00	588	35	42
5/15/2020	TRANSFORMER SHOP	199.81	FARMERS EXCHANGE	LEAF BLOWER	199.81	595	35	14
5/15/2020	TRANSFORMER SHOP	706.82	GRAINGER	coverall/gloves	706.82	595	35	17
5/15/2020	TRANSFORMER SHOP	321.02	BATTERIES PLUS #0250	control batteries	321.02	595	35	17
5/15/2020	TRANSFORMER SHOP	219.79	AMZN MKTP US*MV6U63TS3	FRAUD - Disputed	219.79	143	0	0
5/15/2020	TRANSFORMER SHOP	321.02	BATTERIES PLUS #0250	control batteries	321.02	595	35	17
5/15/2020	TRANSFORMER SHOP	1,778.82	ARNETT INDUSTRIES	test and repair on cables	1,778.82	595	35	17
5/15/2020	TRANSFORMER SHOP	54.25	WESCO P AND E 25	paint	54.25	595	35	17
5/15/2020	TRANSFORMER SHOP	414.30	PLATT ELECTRIC 006	elec. parts	414.30	595	35	17



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

COMMISSION MEETING AGENDA ITEM

Subject:	2020-06-23 - WO590993 - RTA-1 Extended feeder East along Sagebrush Road from Bermuda Rd to Cottonwood Drive	
Agenda Item No:	4c	
Meeting Date:	June 23, 2020	
Presented by:	Mike Irving	<i>Staff Presenting Item</i>
Approved by (dept):	Stephen B. Hunter	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

Motion for Commission Consideration

Motion approving work order 590993 to re-build the existing distribution line to a new 336.4 AAC overhead feeder along Sagebrush Road.

Background

The need for this project was identified in the 2018 Five Year Plan of Service (POS) as project #32-1. POS #32-1 is part 1 of 2 that will rebuild and upgrade the existing distribution line along Sagebrush Rd as a new RTA-1 Feeder extending to the existing RTA-2 Feeder at Cottonwood Drive. This project combined with POS #32-2 and POS #31 will provide support for load transfer from RTA-2 to RTA-1 to balance existing and future loads and help prevent overloading of the feeders.

This project will also facilitate transferring load from RTA-3 to RTA-1 to help balance the loading between the more heavily loaded RTA-3 and the lighter loaded RTA-1 feeder. While the installation of Leslie Road substation reduced loading on RTA-3, it remains a heavily loaded feeder with continued load growth in the area it serves with limited load transfer options. Extending the RTA-1 feeder will allow current load on RTA-3 to be transferred to RTA-1 freeing capacity on RTA-3 for future load growth that is expected in the area.

Summary

Approval of work order #590993 will allow the District to balance feeder loads and continue to provide reliable service to the Reata and Cottonwood Springs areas for both current loads and future load growth.

Fiscal Impact

The total estimated project cost is \$125,104.77. Material costs are \$56,271.44 and Labor Costs are \$68,833.33. This project is included in the 2020 Budget.

Projects to be presented at the Benton PUD

Commission Meeting On

June 23, 2020

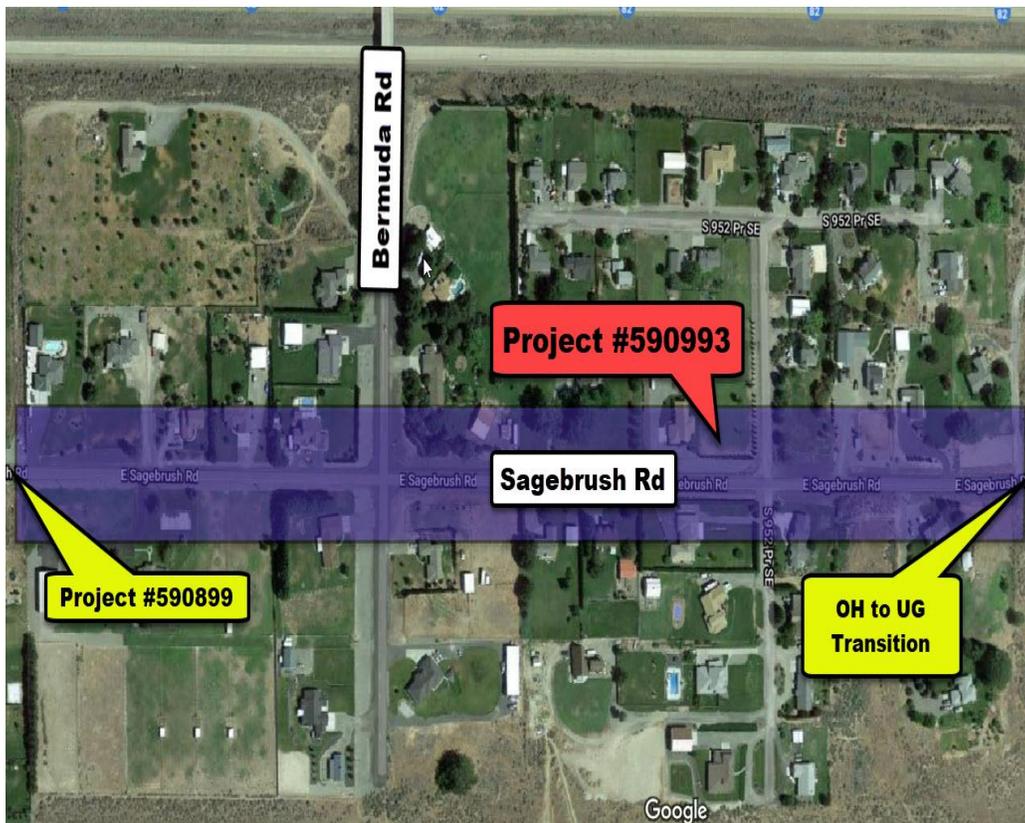
Project Name: RTA-1 Extended feeder East along Sagebrush Road from Bermuda Rd to Cottonwood Drive

WO#: 590993

Location: Sagebrush Rd & Bermuda Road

Justification: Installing new 336.4 AAC OH Feeder – RTA-1

Location Map





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

COMMISSION MEETING AGENDA ITEM

Subject:	Southridge Substation Civil Construction, Bid Package #20-21-18	
Agenda Item No:	4d	
Meeting Date:	June 23, 2020	
Presented by:	Evan Edwards	<i>Staff Presenting Item</i>
Approved by (dept):	Steve Hunter	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

Motion for Commission Consideration

Motion to award Contract #20-21-18 for Southridge Substation Civil Construction to Palouse Power, LLC of Quincy, WA for the total amount of \$687,543.72 plus Washington State sales tax in accordance with RCW 54.04.080.

Background

Bids were opened on Wednesday, June 10, 2020 for the installation of foundations, ground grid, conduits, grading, steel structures, and 115kV buswork as part of the Southridge substation construction project. Bids were received as follows:

Bidder/Contractor	Substation Construction	Sewer Relocation Cost	Total Price Before Taxes	Engineer's Estimate
Palouse Power, LLC	\$647,476.51	\$40,067.21	\$687,543.72	\$999,375.55
DJ's Electrical, Inc	\$620,000.00	\$75,000.00	\$695,000.00	
Prater Electric, Inc.	\$790,000.00	\$106,502.00	\$896,502.00	
Michels Power	\$1,062,780.54	\$142,450.36	\$1,205,230.90	
Magnum Power	\$1,097,280.00	\$122,000.00	\$1,219,280.00	
Potelco	\$1,123,743.52	\$131,357.48	\$1,255,101.00	

Development in the Southridge and South Thompson Hill area has continued. Available system capacity in the area is limited to roughly 5MW and is currently being served via the end of three distribution circuits. The work in this contract prepares the Southridge substation site for the installation of the first bay with consideration given to the addition of up two additional future substation bays. In addition, this contract also includes the required work to relocate a City of Kennewick sewer line to accommodate the substation layout.

Summary

The portion of WO #584434 for this contracted civil construction work was included in the 2020 budget. WO #584434 was previously approved by the Commission at the November 12th, 2019 meeting.

Fiscal Impact

The Districts 2020 Operating Budget will require an amendment and will be made as needed.



AGREEMENT

THIS AGREEMENT AND CONTRACT, made and entered into at Kennewick, Washington,

This 23 day of June 2020, by and between:

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, Washington, a municipal corporation hereinafter designated as the "District",

AND

PALOUSE POWER, LLC hereinafter designated as the "Contractor".

WITNESS:

That whereas the District has heretofore caused to be prepared Call for Bids, Definitions, General Instructions to Bidders, Special Instructions to Bidders, Affidavit of Pre-Qualified Bidder, Contractor's Proposal, Specifications for Construction, Performance Bond Form, and Plans and Construction Drawings, hereinafter referred to as "Contract Documents" for the construction of the

Southridge Substation Civil Construction

Project and the Contractor did on the 10th day of June 2020, file with the District a proposal to construct said Project and agreed to accept as payment therefore the sum fully stated and set forth in the proposal, AND

WHEREAS, the said Contract Documents fully and accurately describe the terms and conditions upon which the Contractor proposes to furnish said equipment, labor, material, and appurtenances and perform said work, together with the manner and time of furnishing same;

IT IS THEREFORE AGREED, first, that said Contract Documents do in all particulars become a part of the Agreement and Contract by and between the parties hereto in all matters and things therein set forth and described; and further, that the District and the Contractor hereby accept and agree to the terms and conditions of said Contract Documents as filed as completely as if said terms and conditions and plans were herein set out in full.

IN FAITH WHEREOF, witness the signatures of both parties, below, on the day and year in this Agreement first above written.

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

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

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

BENTON PUD

Authorized By: Rick Dunn, General Manager

Signature: _____ Date: June 23, 2020

PALOUSE POWER, LLC

Address: _____ Address: _____
(street) (mailing)

Telephone: _____

FAX: _____

_____/_____
Wash. State Contractor's Reg. No. UBI No.
& Expiration Date

Authorized By: _____
(Print Name & Title)

Signature: _____ Date: _____



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

COMMISSION MEETING AGENDA ITEM

Subject:	Contract Change Order #32 – The Energy Authority, Inc. - #06-51-11	
Agenda Item No:	4e	
Meeting Date:	June 23, 2020	
Presented by:	Kevin White	<i>Staff Presenting Item</i>
Approved by (dept):	Kevin White	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

Motion for Commission Consideration

Motion to authorize the General Manager on behalf of the District to sign Change Order #32 of Contract #06-51-11 with The Energy Authority, Inc. (TEA), to increase the not-to-exceed amount of the contract by \$75,000.00; bringing the new not-to-exceed amount of the contract to \$20,855,032.00.

Background

The District entered into a Resource Management Agreement with TEA in June of 2006 which included the provision for annual consulting task orders. The task order outlines the assistance TEA will provide to the District each year with regards to general consulting.

Summary

The Activity 2 - 2020 Consulting Task Order provides resources from TEA to follow and address power management and transmission issues in 2020. These services include shared general services with other participating Slice customers, such as the Bonneville Power Administration (BPA) Regional Dialogue Slice Contract activities, transmission and power issues, and transportation for natural gas.

Other general consulting services include items such as preparation of the District’s integrated resource plan, power budget and power supply plan, econometric load forecasting, Columbia River system runoff forecast reporting, risk management consulting, Frederickson hedging and delta hedging, assistance with power and gas contract negotiation and administration, and other mutually agreed upon analysis.

An increased volume of Frederickson delta hedging unwind opportunities has resulted in additional revenue for the District in 2020. The District is billed 20% of the unwind revenue as part of the annual task order and the additional unwind activity has resulted in costs above the contract value for 2020. The increased unwind revenue and costs are a net benefit to the District’s power supply budget.

Fiscal Impact

The TEA contract cost is projected to be \$75,000 higher due to the increased Frederickson delta hedging unwind activity; however, the activity results in a net benefit for the District when combined with the additional revenue associated with the program.



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

COMMISSION MEETING AGENDA ITEM

Subject:	Wind Power and Clean Energy Policy Perspectives White Paper	
Agenda Item No:	6a	
Meeting Date:	June 23, 2020	
Presented by:	Rick Dunn	<i>Staff Presenting Item</i>
Approved by (dept):	N/A	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

Motion for Commission Consideration:

Motion approving attached report entitled “Wind Power and Clean Energy Policy Perspectives White Paper” in substantially the form presented as an authoritative representation of the District’s current position.

Recommendation/Background

On November 12, 2019 the District adopted Resolution 2523 in support of actions to ensure electric sector resource adequacy in the Pacific Northwest. This resolution provides a sound argument for why northwest utilities have serious concerns regarding the reliability of the northwest power grid and why Benton PUD questions the wisdom of continued development of wind energy in our region when we are facing potentially serious consequences associated with possible power grid blackouts.

Among other things, Resolution 2523 resolved that the Commission and Staff will undertake an effort to heighten the awareness of customers and policy makers as to resource adequacy concerns and environmental and land use impacts associated with high wind and solar project development scenarios.

Staff developed the “Wind Power and Clean Energy Policy Perspectives White Paper” in response to Resolution 2523 and recommends the Commission adopt the report as an authoritative representation of the District’s current position.

Summary

Approving the recommended motion will establish a report that can be used by the District in our education and outreach efforts aimed at helping readers understand a complex topic from our perspective and at helping shape energy policies with better outcomes for our customers.

Fiscal Impact

N/A



Wind Power and Clean Energy Policy Perspectives

Benton PUD White Paper

**Rick Dunn
General Manager**

June 23, 2020

Executive Summary

Benton PUD's power supply is currently over 95% non-emitting by Washington State standards primarily due to our hydro and nuclear rich contract with the Bonneville Power Administration (BPA). In fact, in most years our BPA contract delivers more hydro energy than is used by our customers on an annual basis. Unfortunately, the timing of typical hydro surpluses does not align with our customer peak consumption patterns which results in energy supply deficits during hot summer months and deeply cold winter periods.

To cover these energy deficits, Benton PUD makes wholesale electricity market purchases from generation resources that can be counted on to run on the days and hours needed (dispatchable). Since wind power relies on natural weather conditions decoupled from electricity demand, it is not a dispatchable generation resource and therefore development of more wind power will not help Benton PUD resolve our seasonal energy deficit problems.

While further development of wind power in the northwest is not expected to be necessary or beneficial to serving the interests of Benton PUD for at least the next decade or more, we acknowledge that projects will continue to be built in the northwest. This is primarily due to tax credits along with corporate and legislated clean energy goals, including a Washington State mandate requiring all utilities to remove coal power from their electricity supplies by 2025.

One likely consequence of more wind farm development in the northwest is the further industrialization of the hillsides and open plains of eastern Washington with large wind turbines. Benton PUD believes it is reasonable to question whether further sacrificing our view sheds to remove relatively small amounts of coal power from an already clean hydro-based northwest electricity supply is worth the perceived or real benefits in the long run. Particularly when comparing intermittent wind power to non-emitting baseload generation technologies like small modular reactors being proposed by Energy Northwest.

Benton PUD is concerned that a deepening dependence on wind power as a substitute for energy produced by coal plants, without utility actions to replace the dispatchable characteristics of these plants, could result in blackouts. The risk of blackouts has been demonstrated to already be above acceptable levels and it appears northwest power-grid operators may be a roll-of-the-dice away from being faced with the simultaneous occurrence of drought conditions (low hydro power production), extreme temperatures, low wind and not enough dispatchable electricity generators to meet peak customer demands.

While development of wind farms may be politically fashionable; Benton PUD's assessment of the science, economics and operations relevant to "grid scale" electricity delivery indicates modern civilization cannot be effectively powered with a deep reliance on intermittent generation technologies like wind power. Furthermore, we believe the lifecycle ecological and environmental impacts of wind farm development need to be more openly discussed and scrutinized; including consideration of consequential increases in global raw materials mining as well as increases in volumetric waste as worn out turbine blades are buried in landfills.

Existing Power Resources and Loads

Despite clean energy policies and trends favoring wind and solar power, continued development of wind farms in the northwest is not expected to be necessary or beneficial to serving the interests of Benton PUD customers for at least the next decade or more. This is primarily due to our hydro and nuclear rich wholesale power supply contract with the Bonneville Power Administration (BPA) which entitles Benton PUD to annual energy amounts that are normally greater than what is consumed by our customers. In addition, our BPA contract in combination with other energy purchases and contracts results in a power supply that is already over 95% “non-emitting” and clean by Washington State standards.

With this said, it is important to recognize Benton PUD does face significant power supply challenges under the terms and conditions of our current BPA contract. These challenges are rooted in the timing of BPA energy delivery which does not always align with our customer demand for electricity. Benton PUD is a “summer peaking” utility with our highest customer demand being driven by irrigated-agriculture pumping operations combined with high residential and business air conditioning; see FIGURE 1.

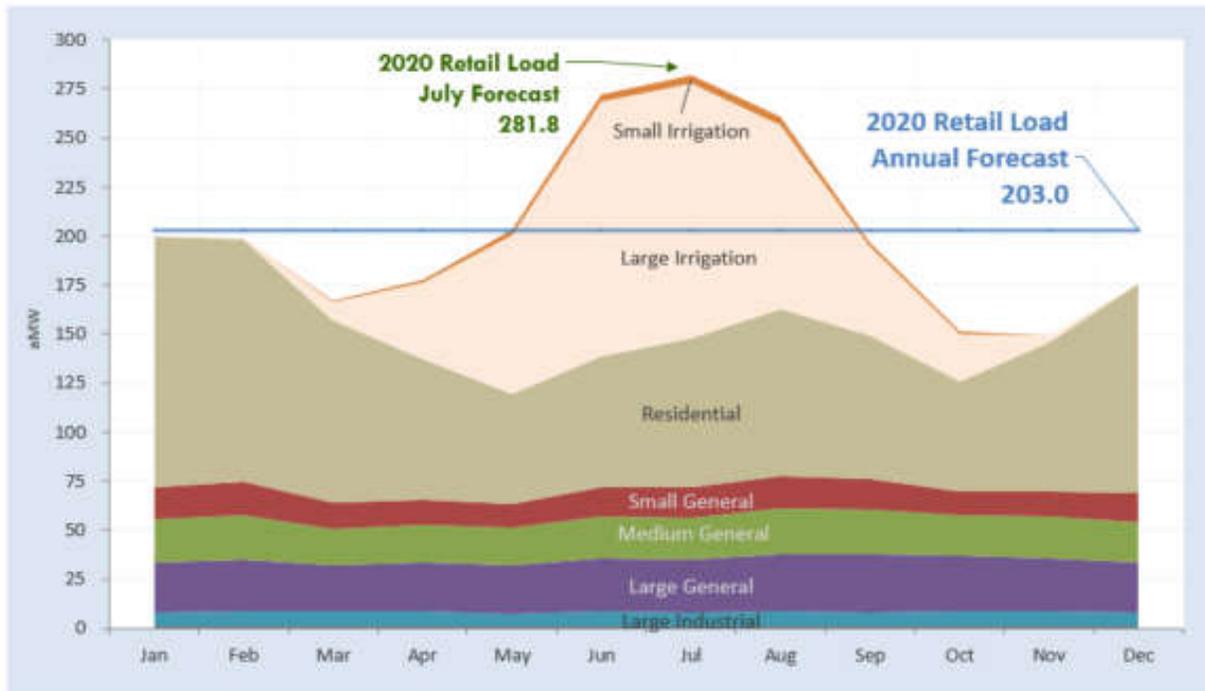


FIGURE 1

As a “Slice” customer of BPA, Benton PUD has rights to a fixed percentage of the electricity generated by BPA resources for any given hour of the year which can be highly variable. As BPA

resources are predominantly hydro-electric, the variability is driven by the timing and quantity of runoff from snowpack as well as short term precipitation events which must be managed to serve interests that compete with power generation; including fish and wildlife, flood control, river navigation and recreation.

To gain further perspective, it is instructive to know that Benton PUD’s annual allocation of BPA wholesale energy in typical water years delivers about 225 average megawatts (aMW) which is more than our total annual customer retail energy consumption forecast beyond the year 2030. On average, our BPA supply is currently 11 aMW more than our customers consume on an annual basis. However, while Benton PUD currently has a “long” annual energy supply position, we do experience regular seasonal energy supply deficits in the summer and on occasion can come up short during deep cold periods in the winter. These seasonal energy supply shortfalls, referred to as capacity deficits, are a function of Benton PUD’s dependence on the availability of “fuel” (river flows) for BPA’s hydro resources which can vary significantly from year-to-year and month-to-month; see FIGURE 2.

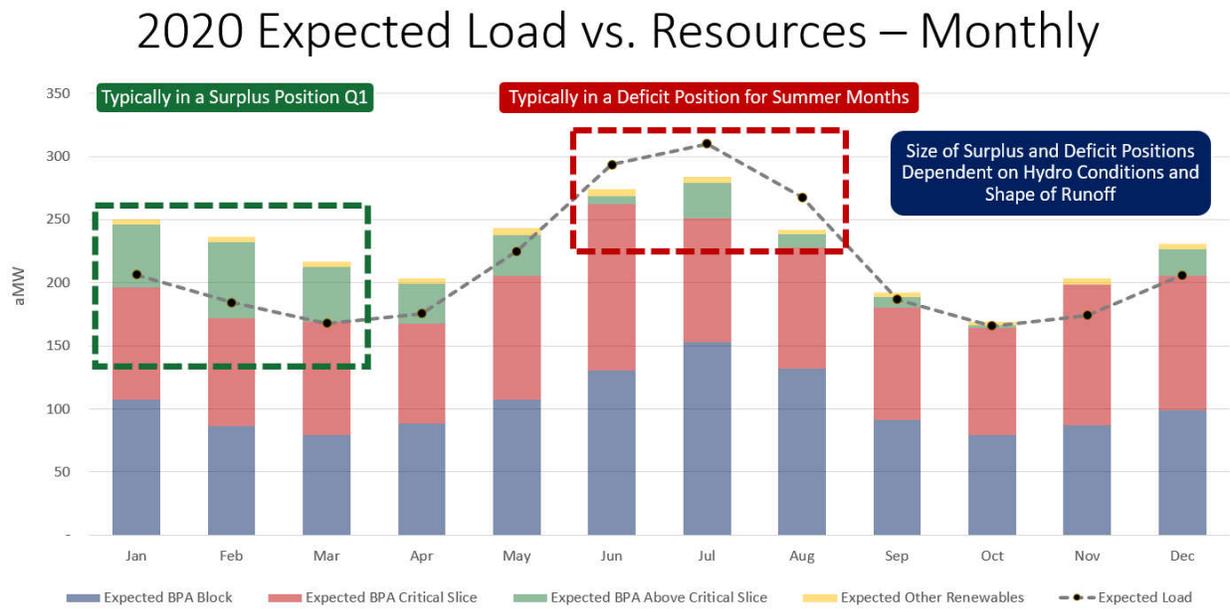


FIGURE 2

Under Benton PUD’s Slice contract with BPA, they are required to guarantee delivery of firm monthly energy represented by the combined total of a “Block” and “Critical Slice” amount. The “Above Critical Slice” is the amount of energy BPA is forecasting will be available to Benton PUD but not guaranteed. Slice customers can re-sell surplus energy received from BPA when supply exceeds what is required to serve customer loads but in return must accept and independently manage the risk that loads may be higher than the available BPA supply.

Any forecasted capacity deficits require Benton PUD to make purchases from wholesale electricity markets in order to augment our long-term power supply contracts. Consequently, we have people, processes and contracts in place to be sure our customer electricity demand is completely supplied on an hourly and around the clock basis. Benton PUD's wholesale electricity purchases are typically made in short-term monthly, weekly, day-ahead and hourly markets from generation resources that can be counted on to run on the days and hours needed (dispatchable). These dispatchable generation resources provide needed capacity to cover energy supply deficits that occur on the hottest and coldest days of the year.

Since wind power relies on natural weather conditions decoupled from electricity demand, it is not a dispatchable generation resource and therefore development of more wind power will not help Benton PUD resolve our seasonal capacity deficit problems; particularly our most acute deficits which occur in summer months with very low levels of wind. We are also concerned that preferences for wind and solar power risk under investment in dependable and dispatchable natural-gas generation plants most utilities believe will be essential for replacing the capacity of coal-fired plants being rapidly retired and shut down in the Pacific Northwest and throughout the western United States.

While wind energy developed on a large scale can be a substitute for much of the annual energy produced by fossil-fueled power plants, it cannot provide the equivalent capacity required for balancing electricity supply and demand on an around the clock basis, and under a wide variety of weather conditions. Because the northwest is so dependent on the availability of water for hydro-electric generation, the coldest and hottest days of a year in which water resources are at a critically low level are of particular concern for electric utilities and is why other reliable and dispatchable generation must be standing by and ready to run on demand. When power grid supply does not meet demand on a moment-by-moment basis, blackouts can occur. Benton PUD is concerned that a deepening dependence on wind power as a replacement for energy produced by coal plants in the northwest could have serious consequences in the not-too-distant future if grid operators are faced with the simultaneous occurrence of drought conditions (low hydro power production), extreme temperatures, low wind and not enough dispatchable electricity generators to meet peak customer demands.

To gain further perspective, it is also instructive to consider Benton PUD's 11 aMW "long" BPA annual energy position in the context of customer growth which is currently forecasted to result in an increase of about 0.4 aMW of energy consumption per year. This relatively low growth rate is driven by our continued investments in effective conservation measures as well as improvements in the energy efficiency of new homes and businesses. In the simplest

analysis, Benton PUD's expected annual supply of BPA power represents over 27 years of customer growth which means we are not currently looking to add substantial amounts of "baseload" annual energy to our power supply portfolio from wind power or other resources.

With this said, new large loads associated with electricity intensive businesses or industry locating in Benton PUD's service territory are a wild card that could require acquisition of new generation resources. Another resource acquisition driver could be preferences for wind and solar power which are often used to brand businesses as sustainable. In either case, given the requirements of Washington State's Clean Energy Transformation Act (CETA) and other clean energy policies and preferences in adjacent states and regions, wind and solar power may be the only significant energy resources available to meet a future Benton PUD need. While not ideal, we would choose solar power over wind given that solar energy production curves are better aligned with our summer peaking load profile and would contribute to reducing our regular summer capacity deficits on most days.

Existing Wind Power Resources

Currently, Benton PUD's power supply portfolio includes wind energy through direct contracts from the Nine Canyon (9 MW) and White Creek (9.1 MW) projects delivering about 5.7 aMW of total energy on an annual basis. These contracts were initiated by Benton PUD in response to the qualifying renewable energy requirements of Washington State's Energy Independence Act (EIA) which initially did not include energy from existing hydro generation.

In addition to direct wind power purchases, Benton PUD's contract with BPA includes an allocation of about 1.4 aMW of their wind portfolio's annual energy production. All the wind resources in Benton PUD's portfolio along with BPA's hydro generation resulting from incremental improvements to turbine-generator efficiency (incremental hydro) are considered EIA qualifying renewable energy. This means energy from these resources provide a renewable energy credit (REC) for every megawatt-hour of electricity generated.

REC allocations and purchases are how Benton PUD meets the renewable portfolio standard (RPS) currently required by EIA mandates. In 2020 Benton PUD will need a total of about 30 aMW of REC allocations and purchases each year to meet the current 15% RPS requirement. We plan to meet our compliance requirement with 7.1 aMW of total wind power RECs from Nine Canyon, White Creek and BPA; 2.6 aMW of BPA incremental hydro REC allocations; and 20.4 aMW of REC purchases from other entities, including wind farms.

Wind Power and Clean Energy Policy Perspectives

It is important to emphasize that a REC is a certificate corresponding to the environmental attributes of energy produced from qualifying renewable resources and does not necessarily represent purchases of physical electricity. While Benton PUD has contractual rights to the electricity produced by the Nine Canyon and White Creek projects, it is usually surplus to our annual customer energy requirements except under a worst-case low hydro generation scenario.

With that said, Benton PUD's share of Nine Canyon's physical electricity is always scheduled to supply our load with the net effect during low customer load periods of increasing our BPA hydro surplus which we sell in regional wholesale electricity markets. Due to power scheduling complexities, Benton PUD's share of the White Creek project's physical electricity is bundled with other utility shares and sold to another counterparty at a price currently well below the relevant market power index. This below index pricing is an indicator of the reduced value of wind energy compared to other more dependable generation resources.

Revenues from the sales of physical electricity attributed to Nine Canyon and White Creek are considered as offsets to the total annual cost of Benton PUD's EIA renewable-energy compliance which is budgeted to be \$3.8 million in 2020. We expect to continue to rely on REC purchases as the primary means for meeting EIA mandates for the foreseeable future.

Benton PUD considers the incremental cost and dependence we have on continued operation and development of wind and solar power for REC purchases as a perverse outcome of EIA mandates given our extraordinarily clean power supply and surplus annual hydro and nuclear-based energy position.

Surplus Energy and Market Sales

With respect to Benton PUD's net annual surplus of energy, it is important to understand the timing of when most surplus hydro generation occurs. For Benton PUD, the best combination of market price and volume of surpluses occurs in January through March with the highest volume and lowest prices occurring in April and May. When our hydro supply exceeds customer demand, our BPA contract allows us to sell the surplus energy into wholesale electricity markets. The revenues generated by our sales have the effect of buying down our annual wholesale power costs.

Energy production from wind farms in the northwest can also be high during periods of maximum hydro generation contributing to energy gluts that can drive market prices to zero or even to negative values due to federal tax credits received by wind power. The wholesale

Wind Power and Clean Energy Policy Perspectives

electricity market distortions created by wind power tax credits combined with the availability of abundant and low-priced natural gas has driven market prices to very low levels in recent years. Consequently, the value of Benton PUD surplus hydro energy sales has been dramatically reduced from over \$50 million in 2008 to under \$20 million today.

While there are efforts underway centered on possible expansion of the Western Energy Imbalance Market (EIM) to an extended day ahead market (EDAM) that could increase the economic value of BPA hydro flexibility and capacity, Benton PUD believes further development of wind power in existing “energy only” wholesale markets will continue to contribute to the devaluation of hydro. To be clear, Benton PUD believes abundant and low-cost natural gas has been the major driver of wholesale electricity price reductions but building more wind farms will continue to put downward pressure on prices.

Overall, the erosion of the market value of hydro energy has resulted in upward pressure on the prices BPA charges Benton PUD and consequently on the retail rates we charge our customers. Since 2007, BPA’s revenues derived from market sales have dropped from over \$400 million to under \$200 million in some years which leaves them looking to their ratepayers to make up the difference. Benton PUD’s net power supply costs are budgeted to be \$84 million in 2020 which is up 40% since 2010 when actual costs were \$60 million.

Oversupply and Curtailments

Additional concerns regarding the development of more wind power are oversupply and curtailments which are well described in a report developed by Harvard University for the Bonneville Power Administration in May 2018.¹

...As more intermittent renewable energy is added to the grid it creates oversupply, particularly during low demand hours, when generation exceeds load. Oversupply causes low or negative prices for wholesale energy during periods of overgeneration. When scheduled generation exceeds scheduled demand in the hour-ahead market, the price of energy falls below zero in an attempt to balance supply and demand. After accounting for changes in generation and load between the hour-ahead and real-time markets, if generation still exceeds load and there are no more generators willing to receive payments to reduce their output, then balancing authorities must order generators to curtail output to maintain system frequency. Negative bids often represent the lost

¹ Patricia Florescu and Jack Pead, “Realizing the Value of Bonneville Power Administration’s Flexible Hydroelectric Assets”, 12, 13, 14, Mossavar-Rahmani Center for Business & Government, Harvard University, May 2018.

Wind Power and Clean Energy Policy Perspectives

opportunities for the generator to take advantage of tax credits for renewable energy production.

...Due to the Pacific Northwest's reliance on hydroelectricity, oversupply becomes more problematic in the springtime when both river flows and wind generation are high. Under those circumstances, extra water can be spilled from the dams so that it does not contribute to oversupply, but too much spill exceeds water quality standards and can harm fish and other aquatic species. If water cannot be spilled, it must be passed through the hydropower turbines, thus generating electricity.

For conditions like these, BPA implemented the Oversupply Management Protocol, under which non-hydrogeneration is displaced to protect aquatic life and maintain system reliability. Displacement decisions are made according to a least-cost displacement cost curve that lists generation in order of cost, from the least cost facility to the highest-cost facility, until the required displacement quantity is achieved.⁵³ After a federal court case concluded in 2011, BPA enacted a new protocol that compensated wind generators for lost revenues from curtailment and assigned the costs of curtailing generation during oversupply events to BPA transmission customers.⁵⁴

While Oversupply Management Protocol costs have not been extremely high² relative to other costs incurred by Benton PUD through our BPA transmission contract, we are concerned more wind power on the grid will contribute to increases in BPA costs and will add more complexity to the already difficult balancing act of managing river flows to meet the competing interests of power generation, environmental stewardship, barging operations, flood control and recreation.

Pacific Northwest Resource Adequacy Challenges

The Pacific Northwest's clean hydroelectric generation resources are unmatched anywhere in the United States and are the primary reason Washington State contributed on average no more than 0.5% to the nation's annual total greenhouse gas emissions from electricity production each year between 1980 and 2017³; even with coal plants in the mix.

² BPA's displacement costs of OMP were around \$4.87 million in 2018 and \$2.2 million in 2017 <https://www.bpa.gov/Projects/Initiatives/Oversupply/Pages/Annual-Oversupply-Review.aspx>.

³U.S. Energy Information Administration, "State Carbon Dioxide Emissions Data" <https://www.eia.gov/environment/emissions/state/>.

Wind Power and Clean Energy Policy Perspectives

While our already clean electricity sector is the envy of the nation, policy makers in Washington have set the course for 100% clean by 2045 through passage of the Clean Energy Transformation Act (CETA). While a long-term goal like this is clearly aspirational at this point, the near-term consequences of CETA's underlying requirements are significant and very concerning when it comes to maintaining power grid reliability.

The most consequential requirements are the explicit removal of coal power from utility portfolios by 2025 and the social cost of carbon intended to chill investments in the construction of new natural-gas powered plants which would normally be considered the logical replacement for retiring coal capacity.

CETA along with anti-fossil-fuel sentiment in Oregon and California energy policies has put northwest utilities in a position where it appears only wind and solar power along with batteries, pumped hydro and demand response will be allowed to try and solve utility capacity deficits. The problem is that science, economics and project development cycle times indicate the preferred technology solutions are not ready for "grid scale" solutions and that utilities probably cannot respond fast enough given the already unacceptable risk of blackouts that are projected for the Pacific Northwest beginning in 2021.⁴

Benton PUD is a relatively small player in the northwest grid, but our seasonal capacity deficits are significant. This is why we joined forces with other members of the Public Generating Pool (PGP) and several investor owned utilities to co-fund a study by E3 Consulting⁵ of what will be required to maintain power grid reliability in the Pacific Northwest while further de-carbonizing the electricity sector. This study found that deep de-carbonization is possible but that natural gas fired generation will be needed to maintain power grid reliability; it would just run infrequently.

While development of wind farms may be politically fashionable and appeal to many in the general public as a beautiful harmonization of nature with electricity production, the science and economics indicate we cannot cost-effectively power modern civilization with intermittent generation resources like wind and solar power. E3's study concludes that increasing the Pacific Northwest's inventory of wind power from the 2018 level of 7 gigawatts to a level of 38

⁴ Northwest Power and Conservation Council, "*Pacific Northwest Power Supply Adequacy Assessment for 2024*": October 2019, <https://www.nwcouncil.org/sites/default/files/2024%20RA%20Assessment%20Final-2019-10-31.pdf>.

⁵ Energy+Environmental Economics, "*Resource Adequacy in the Pacific Northwest*": Public Generating Pool, March 2019.

gigawatts by 2050⁶ will only result in an effective capacity contribution from wind of 19%. In other words, a more than fivefold investment in wind power which E3 estimates would cover an area as much as 37 times the combined areas of Seattle and Portland, would only allow regional utilities to count on 19% of the capital investment to produce electricity when it is most critically needed.

On November 12, 2019 Benton PUD Commissioners adopted Resolution 2523 in support of actions to ensure electric sector resource adequacy in the Pacific Northwest. This resolution provides a sound argument for why northwest utilities have serious concerns regarding the reliability of the northwest power grid and why Benton PUD questions the wisdom of continued development of large numbers of wind farms in our region when we are facing potentially serious consequences associated with power grid blackouts.

Other Considerations and Conclusions

Benton PUD acknowledges wind power development in the northwest will occur in the near term primarily in response to federal and state tax credits and investor-owned utility (IOU) needs to replace coal power with “non-emitting” generation technology in accordance with CETA; and as part of overall clean energy strategies occurring in neighboring states. Unfortunately, incentives that promote construction of new wind power do very little to help solve the acute regional winter and summer energy deficits being precipitated on the northwest power grid by the rapid retirement of coal plants.

Benton PUD does not believe wind power is the best answer for meeting long term greenhouse gas emission reduction objectives regionally, nationally or on a worldwide basis. The “fuel” for wind power is dilute and intermittent requiring overbuilds to meet clean energy targets while also requiring additional investments in backup generation technology to meet the always-on requirements of power grids and modern civilization. While wind developers and advocates often tout continued reductions in the cost of wind energy, the low availability of wind power requires utilities to continue paying for dispatchable generation capacity that may run infrequently but is sized to meet most of the peak energy demand on the grid. This “double paying” is why electricity rates in countries and states with high wind (and solar) penetrations have risen dramatically in the midst of claims of low-cost renewable energy.

⁶ 38 gigawatts of nameplate wind power capacity is what E3 determined would be required in an optimal scenario to reduce greenhouse gas emissions from electricity production by 80% below 1990 levels; an often-quoted goal from the Intergovernmental Panel on Climate Change (IPCC).

Additionally, the land area required for wind turbine construction and transmission lines needed for grid interconnections can be immense and the negative ecological and environmental impacts of this “energy sprawl” may outweigh the perceived or real benefits; particularly when compared to non-emitting baseload generation technologies like small modular reactors being proposed by Energy Northwest. Benton PUD believes lifecycle economic and environmental impacts expected to result from further development of wind power need to be scrutinized to a much higher degree with greater recognition of issues like the global impacts of raw materials mining and the disposal of wind turbine blades which are currently destined for landfills.

Benton PUD acknowledges every source of energy production takes a toll on the environment but believes wind power is often given a pass due to its popularity with policy makers and many in the general public. One source estimates wind power requires about 45 times as much land to produce a comparable amount of power as nuclear and that concrete and steel requirements for wind are about 10 times greater⁷. We believe these are important and relevant considerations as investments are made in power generation projects that will have long lasting environmental and financial impacts.

Benton PUD believes the clean energy trajectory our state and region is pursuing is largely unnecessary and risky due to the prevalence of hydro in the northwest electricity mix and the abundance of low-cost and cleaner burning natural gas. While language exists within CETA regarding concerns with power grid reliability, for all practical purposes we expect the near-term result of the legislation to be construction of wind and solar power projects to replace coal-fired electricity and that construction of new natural gas plants will be highly unlikely until legislators become convinced that blackout risks are real. Furthermore, CETA establishes strong preferences for wind and solar energy with no targets for greenhouse gas (GHG) emission reductions in the electricity sector. This effectively establishes an undefined increase in renewable portfolio standards which has been shown through comprehensive study will cause unnecessary increases in the cost of electricity and will not reduce GHG emissions in the most cost-effective manner possible⁸.

Benton PUD supports provisions of CETA that count hydro and nuclear energy toward the 100% clean by 2045 objective. However, we believe a more cost-effective and less risky trajectory toward this goal would have been to allow for the transition from coal to natural gas and to promote an increase in the development of nuclear energy as the best long-term and

⁷ Robert Bryce, *“Power Hungry – The Myths of “Green” Energy and the Real Fuels of the Future”*: Pages 84, 91.

⁸ Energy+Environmental Economics, *“Pacific Northwest Low Carbon Scenario Analysis-Achieving Least-Cost Carbon Emissions Reductions in the Electricity Sector”*: Public Generating Pool, December 2017.

Wind Power and Clean Energy Policy Perspectives

sustainable strategy. We believe it is reasonable to suggest the most balanced and environmentally responsible actions you can take to “clean up” the electricity sector is to produce as much low or non-emitting electricity as possible in the smallest area possible. This seems to be best accomplished with energy dense fuels like natural gas and uranium.

Benton PUD supports Energy Northwest (EN) in their efforts to develop small modular reactor (SMR) technology. However, we are concerned large scale investments in wind and solar power will erode the energy supply opportunities needed by SMRs to make them economically feasible. We also recognize the significant challenges facing EN as they attempt to build public and political support for their efforts.

Benton PUD also believes it is reasonable to question whether the majority of our customers and citizens living in the Tri-Cities area support further industrialization of the hillsides and open plains of eastern Washington with large wind turbines in order to remove coal power from the portfolios of investor owned utilities who predominantly serve electricity customers outside our area.



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

COMMISSION MEETING AGENDA ITEM

Subject:	City of Kennewick Franchise Agreements for the Electrical City Ordinance 5872 (Contract #20-21-21) and Broadband Systems City Ordinance 5871 (Contract #20-46-09)	
Agenda Item No:	6b	
Meeting Date:	June 23, 2020	
Presented by:	Steve Hunter/Chris Folta	<i>Staff Presenting Item</i>
Approved by (dept):	Steve Hunter/Chris Folta	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

Motion for Commission Consideration

Motion to authorize the General Manager on behalf of the District to sign in substantially the form presented City Ordinance 5872 (Contract #20-21-21) and City Ordinance 5871 (Contract #20-46-09) with the City of Kennewick, to construct, maintain and operate the electrical and fiber optic systems; effective July 1, 2020 for five (5) years with the option to automatically renew for one (1) successive period of five (5) years.

Background

The City and the District have had an Ordinance in place since 2004 which expires June 30, 2020.

The City has worked with a consultant on new franchise agreements for the electrical and fiber optic systems. The City and the District then worked together reviewing the draft Ordinances and revising some language for clarification purposes. The City plans to take these to their Council meeting on June 16, 2020.

These Ordinances allow the District to construct, maintain and operate the electrical and fiber optic systems within the City’s right of way and easements.

Summary

By signing these City Ordinances, 5872 and 5871, the District agrees to enter into the franchise agreements with the City of Kennewick effective July 1, 2020, for five (5) years and will then automatically renew for one (1) successive period of five (5) years unless terminated at the end of the term with written notice of 180 calendar days by either party prior to the end of the term.

Fiscal Impact

There is no fiscal impact.

CITY OF KENNEWICK
ORDINANCE NO. 5872

AN ORDINANCE GRANTING TO PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, A MUNICIPAL CORPORATION, A NONEXCLUSIVE RIGHT AND FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE IN, OVER, UPON AND UNDER THE PRESENT AND FUTURE STREETS, ALLEYS, BRIDGES, HIGHWAYS, AND OTHER PUBLIC PLACES OF THE CITY OF KENNEWICK, WASHINGTON, ELECTRICAL POWER TRANSMISSION AND DISTRIBUTION LINES AND APPURTENANCES, SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED IN THIS ORDINANCE

THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Grant of Franchise and Term. The City of Kennewick, Benton County, Washington, hereinafter referred to as the City, hereby grants to Public Utility District No. 1 of Benton County, hereinafter referred to as the District or the Franchisee, a right and franchise for the period of five (5) years from and after the effective date of this Ordinance, to construct, maintain and operate in, over, upon and under the present and future streets, alleys, bridges, highways and other public places (all hereinafter referred to as "franchise area") within the present or future limits of the City, electric power transmission and distribution lines, and all necessary or desirable appurtenances thereto, for the purpose of transmitting electric power and energy. The franchise will automatically renew for one successive period of five (5) years unless terminated at the end of the term by either party by written notice to the other party no less than 180 calendar days prior to the end of the term.

Section 2. Non-exclusive Franchise. The right and franchise hereby granted shall not be exclusive and the City expressly reserves the right, at any time during the term of the right of franchise hereby granted, to grant rights or franchises for such purpose to other persons or corporations, as well as the right in its own name as a municipality, to use said streets for such purposes.

Section 3. Non-interference of Facilities/Coordination.

3.1 The locations and methods of installation and maintenance of all poles, wires, fixtures, underground conduits and appurtenances thereof (hereinafter referred to as "facilities") shall be subject all times to reasonable regulation by the City Council or their designee, and all such facilities shall be so constructed and maintained so as to interfere as little as practicable with the free and safe passage of pedestrians and vehicular traffic. All of such facilities shall be installed and at all times maintained by the District in safe order and condition and in accordance with good electrical practice, and the District, at its own cost and expense, shall promptly repair all streets in any way disturbed by the District, and shall restore the same to its condition prior to District work as near as is practical and per City of Kennewick's adopted Public Works Standard Specifications and Details.

3.2 The District shall comply with all existing and future ordinances, or rules and regulations of the City relating to the use or improvement of said streets. The District shall provide the City, upon the City's reasonable request, copies of available drawings in use by the District showing the location of its facilities within the franchise area. At locations where clarification of facility locations is required, the District, at the City's reasonable request shall provide field markings and/or work in partnership with the City using methods such as excavating and pot holing of its underground facilities within the franchise area and within the project limits for the design of City capital projects at no cost to the City(as per section 11.3). The District and the City are responsible for complying with the provisions of Washington's One-Call statutes: RCW Ch. 19.122.

3.3 In the event the City Manager or designee reasonably determines, after providing written notice to the District and a reasonable opportunity for the District to respond to the City Manager or designee's concerns, that any one or more of the District's Facilities within the Franchise Area interfere with the free and safe passage of pedestrian, bicycle and/or vehicular traffic therein or with reasonable ingress or egress to properties abutting thereto that exists when such Facilities are first installed, then the District shall promptly take such action as is reasonably necessary to eliminate such interference.

Section 4. Construction and Maintenance of Facilities in Franchise Area; Permit Required.

4.1 Whenever the District works in the Franchise Area for purposes of traffic control, installation, construction, repair, maintenance, relocation, or removal of its Facilities, it shall apply to the City for all necessary City permits to do such work, in accordance with all ordinances and regulations of the City. The District shall comply with all requirements and conditions of such permits, including but not limited to location restrictions, traffic control, restoration and repair work to restore the surface of the Franchise Area. In no case shall any such work commence within the Franchise Area without a permit, except as otherwise provided in this Franchise. After the work is completed, the District shall provide to the City upon request and at no cost, copies of the District's drawings showing the approximate location of its Facilities affected by such work. The foregoing is not, however, intended to relieve the District of its obligations arising under Section 11 of this Franchise or under applicable law with respect to determining and disclosing the location of its Facilities within the Franchise Area.

4.2 The District shall at all times post and maintain proper barricades and traffic control and comply with all applicable safety regulations during any period of construction or maintenance activities within the right-of-way as required by City or state regulations, including RCW 39.04.180, for the construction of trench safety systems. The District shall set up and maintain proper traffic control for all lane closures and shall avoid where possible doing lane closures during the peak traffic hours from 6:30am – 8:30am and 3:30pm – 6:00pm.

4.3 Conditions when permits are typically not required:

No permit or traffic plan is required to be submitted for:

- i. spot maintenance work on neighborhood residential streets that takes less than 2 hours at the location when no ground excavation is being done
- ii. scheduled aerial work or tree trimming on neighborhood residential streets when no

- ground excavation is being done.
- iii. same location pole change out or replacement work is being performed on neighborhood residential streets as long as sidewalks, curbs, gutters, or paved surfaces are not disturbed.

4.4 In the event of any emergency where any Facilities located in the Franchise Area are broken or damaged, or if the District's work area within the Franchise Area is in such a condition as to endanger any person or property, the District may immediately take any necessary emergency measures to repair or remove its Facilities or otherwise make its work area safe without first applying for and obtaining a permit as required by Section 4.1. This provision shall not relieve the District from later obtaining any necessary permit for the emergency work unless it is work described in section 4.3. The District shall apply for the required permit the next business day following the emergency work or, in the case of an extended state of emergency, as soon thereafter as practical. Emergency work that did not disturb the integrity of the public improvements within the public right-of-way is excluded from obtaining a permit after the fact.

4.5 In the event the District proposes to cut or disturb pavement within the Franchise Area for any purpose (except as provided in Section 4.4) the District shall apply to the City for a permit to make such disturbance in accordance with Section 4. In its application the District shall identify the specific paving proposed to be disturbed, describe the scope and extent of such disturbance and explain the necessity for such disturbance. The District will minimize the extent of such pavement disturbance to that reasonably necessary to perform its work. The District acknowledges the City's authority and discretion to approve (or not approve) disturbance of such pavement and to condition such approval and require compliance of the pavement restoration to the condition required in Section 5. The District shall not cut or disturb any pavement within the Franchise Area (except as provided in Section 4.4) without written authorization from the City Manager or designee. Except for emergencies, the District acknowledges that permits to cut asphalt pavement will not be issued by the City on newly constructed or reconstructed streets and overlays for a period of five (5) years from the date of construction. A cut may be considered based on need and appropriate pavement restoration mitigation.

4.6 In the event the District proposes to replace or install utility poles within the Franchise Area for any purpose other than a City Project as defined in Section 8 (relocation), and except as provided in Section 4.3 and 4.4, the District shall apply to the City for a permit in accordance with Section 4. The District shall identify the purpose and scope of said project. If the project results in decommissioned above-ground facilities in the Franchise Area, then the District shall remove the decommissioned facilities in the manner set forth in Section 5.

4.7 All District underground facilities shall be laid in accordance with current City regulations and project permit requirements. Unless otherwise approved by the Public Works Director, underground facilities must maintain (parallel) five (5) feet separation from City water mains and must maintain (parallel) ten (10) feet separation from City sewer mains. District shall restore the public way to its condition prior to District work as near as is practical and per the City's adopted Public Works Standard Specifications and Details. The District shall participate in joint utility trenching and conduit banks where possible for future utility use at its own cost on new or reconstructed roadways in the Franchise Area, unless written approval for not participating is granted by the Public Works Director.

4.8 The City's 20-year Capital Improvement Plans for transportation and utilities will be provided to the District for their use in planning future projects, along with the annual update of the Six-Year Transportation Improvement Plan. The District's Five Year Plan of Service will be provided to the City for their use planning future projects each year following adoption.

Section 5. Restoration of Franchise Area and Decommissioning of Facilities.

5.1 The District shall promptly restore the Franchise Area, at its sole cost and expense, after any installation, construction, relocation, maintenance, repair or removal of its Facilities within the Franchise Area or any settling, subsidence, or any other need for repairs or maintenance resulting from excavations made by District. The District agrees to repair Rights-of-Way as a result of settling, subsidence, or other needed repairs or maintenance resulting from excavations made by the District upon forty-eight (48) hours' notice excluding weekends and holidays. The District shall restore the Franchise Area to its condition prior to District work as near as is practical and per City of Kennewick's adopted Standard Specifications and Details, in each case as reasonably necessary to restore the integrity of the paving disturbed by the District's work. All survey monuments which are disturbed or displaced by such work shall be referenced and restored per WAC 332-120, as the same now exists or may hereafter be amended, and all pertinent federal, state, and City standards and specifications. The City Manager or designee shall have final approval of the condition of the Franchise Area after restoration.

5.2 If it is determined that the District has failed to restore the Franchise Area in accordance with Section 5, the City shall provide the District with written notice including a description of actions the City reasonably believes necessary to restore the Franchise Area. If the Franchise Area is not restored in accordance with the City's notice within thirty (30) days of that notice, the City, or its authorized agent, may restore the Franchise Area. The District shall be responsible for and pay all costs and expenses incurred by the City in restoring the Franchise Area in accordance with this section. The District shall pay said costs and expenses within thirty (30) days of receipt of the City's billing for such work, including City overhead (provided that in no event shall such overhead exceed 10% of the total costs, fees and expenses). The remedy granted to the City under this section shall be in addition to those otherwise provided by this Franchise.

5.3 In the event the District permanently ceases use of any above-ground Facilities within the Franchise Area, the District shall remove said Facilities at no cost to the City. Removal shall occur within ninety (90) days after the District's permanent cessation of use and all third party attachments have been removed from such Facilities, and when reasonably practicable, prior to the expiration of the required permit. Consistent with the District's obligations under state law, the District shall notify any third parties that are known by the District to have attachments located on the District's Facilities, that such third party attachments must be removed or relocated. Additional time for removal may be agreed to by the parties provided that if the parties agree upon such additional time, the City shall renew or extend the required permit. The intent of the notification permit is to provide the City a tracking system if removal of the District's equipment results in an issue such as ground settling at a later date, whereby the District would then repair per section 5.1.

5.4 In the event the District permanently discontinues use of and decommissions any of its

underground Facilities within the Franchise Area, the District may leave such underground Facilities in place subject to the conditions set forth in Sections 5.4 – 5.7. The District shall notify the City when it permanently discontinues use of and decommissions underground Facilities within the Franchise Area. The District’s written notification to permanently decommission underground Facilities within the Franchise Area shall include a mitigation plan for either removing or leaving in place the decommissioned underground Facilities. The mitigation plan shall address how and when the Facilities will be removed and shall include any mitigation measures the District proposes to address impacts of the decommissioned underground Facilities to the Franchise Area. The mitigation plan shall require that any underground Facilities to be left in place shall be made inert by disconnecting and sealing such underground Facilities in compliance with applicable regulation and industry standards. Unless otherwise approved by the City, removal and mitigation should be accomplished within one hundred and eighty (180) calendar days after the Facilities are permanently decommissioned.

5.5 Within thirty (30) calendar days of receiving a mitigation plan submitted by the District pursuant to Section 5.4, the City will review the mitigation plan and either approve or require changes and resubmittal. The City will not unreasonably withhold approval of the District’s proposed plan, but may require changes if it determines, in its reasonable discretion that the plan fails to adequately mitigate impacts of the District’s permanently decommissioned underground Facilities. If the City determines after consultation with the District, that the impacts of leaving the Facilities in place cannot be adequately mitigated to the City’s reasonable satisfaction, the City may require removal of the underground Facilities. If the City approves leaving permanently decommissioned underground Facilities in place, it may condition such approval upon the District’s agreement to remove directly impacted portions of the underground Facilities at a later time, such as in conjunction with a subsequent City Project or other project that includes excavation in the area or as reasonably required to ensure the health and safety of the public. Following the City’s approval of a mitigation plan, the District shall promptly and in good faith implement the plan and obtain all required permits for its work in the Franchise Area.

5.6 If the parties fail to agree on a mitigation plan, the District fails to comply with an approved plan, or circumstances require City action prior to approval of a plan, the City may, but is not required to, take such steps as it deems necessary to remove and/or mitigate for the impacts of the permanently decommissioned underground Facilities. Any costs incurred by the City as a result of the District’s failure to comply with its obligations under this Section with respect to permanently decommissioned Facilities shall be reimbursed by the District within thirty (30) calendar days of the City invoicing the District for such costs.

5.7 All work by the District pursuant to this Section 5 shall be performed in accordance with the permit issued by the City, together with the laws of the State of Washington and, subject to the Kennewick Municipal Code and applicable standards of the City as the same now exists or as may be hereafter amended or superseded.

5.8 The Parties expressly agree that the provisions of this section shall survive the termination, expiration, or revocation of this Franchise.

Section 6. Bonding Requirement.

6.1 The Parties agree that Pursuant to RCW 35A.47.040, the City can require the District to file a bond, however the District is a public agency and as such the City is not requiring the District to file such a bond upon acceptance of this Franchise. In lieu of requiring the bond upon acceptance the City reserves the right to require the District to file a bond with the City in the event it finds the District or its contractors, subcontractors, or agents have failed to perform the “Bonded Obligations” as noted below. The District shall, within thirty (30) days of receiving notice of the City file with the City, and at times thereafter, maintain in full force and effect for the term of this Franchise, a bond executed by the District and a corporate surety authorized to do surety business in the State of Washington, with an AM Best rating of A XII. The amount shall be as provided in Section 6.3 and shall secure performance of the District’s obligations under Sections 3, 4, 5, 7 and 8 (the “Bonded Obligations”). The bond shall be in a manner and form reasonably acceptable to the City and secure the District’s faithful performance of the Bonded Obligations and provide recovery on the bond in case of the District’s failure to perform the Bonded Obligations. The District may meet the obligations of this section with one (1) or more bonds reasonably acceptable to the City. In the event that a bond furnished pursuant to this section is canceled by the surety, after proper notice and pursuant to the terms of said bond, the District shall, prior to the expiration of said bond, procure a replacement bond which complies with the terms of this section.

6.2 In the event the District shall fail to perform any Bonded Obligations in undertaking any work or other activities within the Franchise Area authorized by this Franchise, and further fails to cure its deficiency within the time period identified in the City’s written notice of such deficiency, then the City may recover jointly and severally from the District and the surety of such bond to ensure performance of the Bonded Obligations. This section shall be a continuing obligation for the duration of this Franchise and thereafter until the District has discharged all of its Bonded Obligations under this Franchise.

6.3 The bond filed in accordance with the requirements of this Section 6 shall be in the amount of Twenty-Five Thousand Dollars and No/100 (\$25,000), but may be increased from time to time by mutual agreement of the parties if the volume of work being undertaken by the District within the Franchise Area under this Franchise at any given point in time materially increases such that an increase in the bond amount is reasonably necessary to provide adequate protection to the City for the Bonded Obligations covered by such work.

6.4 In the event the City intends to execute on or seek recovery under any bond(s) furnished by the District pursuant to this Section 6, the City shall promptly provide written notice of same to the District. If the City successfully executes on any such bond, the District shall promptly obtain a replacement bond in like amount and/or take such other action as is reasonably necessary to ensure that the bond(s) required by this Section 6 are maintained in full force and effect for the term of this Franchise.

6.5 The rights reserved to the City by this Section 6 are in addition to other rights of the City whether reserved by this Franchise or authorized by law, and not action, proceeding, or exercise of right under this Section 6 shall constitute an election or waiver of any rights or other remedies the City may have.

Section 7. Undergrounding of Overhead Facilities.

7.1 The District acknowledges that the City desires to promote a policy of undergrounding of facilities within the Franchise Area. The City acknowledges that the District provides electric and communications service on a non-preferential basis subject to customers across Benton County.

7.2 (a) The City and District agree to split costs on selected main feeder undergrounding projects within the rights of way or easements within the City when funding has been identified. The District shall share the incremental costs of underground versus overhead construction of main feeder electric lines on a 50-50 basis with the City on projects mutually approved by the District and the City, provided that the District's share of funding for such undergrounding projects shall not exceed \$250,000 in any calendar year. The incremental cost on which the cost sharing shall be based is the difference between the District's estimated total cost to construct underground facilities and the total cost to construct overhead facilities. As City road improvements and other projects involving the District's facilities typically include excavation work, a portion of the City's cost share may include providing excavation and trenching services for placement of District vaults and conduits required for underground facilities. The value assigned to excavating and trenching costs shall be mutually agreed to by the parties. Final contributions from the City to the District for underground facilities cost sharing shall be based on actual costs incurred by the District for each project. The City and District shall share equally in any actual costs exceeding original underground facilities project cost estimates.

(b) As mutually agreed and within the \$250,000 budget limit noted in 7.2(a) this cost sharing agreement may also be used to relocate and underground District Facilities for unique City projects that are not solely within a right of way, or an easement, but serve a public purpose and benefit both the City's and the District's constituents.

(c) If less than \$250,000 is spent in a calendar year by the District under the provisions of this Agreement, the unexpended amount may be carried over into the next calendar year for a maximum contribution by the District of \$500,000 in any two-year period.

Section 8. Relocation of Facilities.

8.1 Whenever the City causes a public right-of-way improvement to be undertaken within the Franchise Area, and such improvement necessitates the relocation of existing District facilities, the District shall, at its sole expense and with due diligence, relocate and adjust its facilities to conform with the public right-of-way improvements. The City shall provide the District with plans and specifications for the improvements within a reasonable time prior to commencement of the public right-of-way improvement. The district shall coordinate its relocation work with the City and shall perform same in a timely fashion so that, absent conditions beyond the control of the District, such relocation or adjustment of District Facilities will not impede or delay such improvement or changing of the Franchise Area.

8.2 As used herein, the term "public right-of-way improvement" is a City capital improvement in public right-of-way or public property identified in the City's 20-Year Capital Improvement Plans for transportation and utilities or Six-Year Transportation Improvement Plan. This may be work performed by the City; or work performed by a third party as a requirement of the City if

shown within the first three years of the plan.

8.3 The City shall be responsible for the costs of relocation or adjustment of District facilities for a public right-of-way improvement if (1) existing District facilities exist outside of public right-of-way or in a District-owned or obtained easement; or (2) the City is requiring relocation or adjustment of District facilities that were previously moved by the District on behalf of the City within the past five (5) years. When the District facilities to be relocated are in a District-owned or obtained easement that predated City right-of-way ownership, the City shall provide the District a new easement to relocate to unless otherwise agreed to by both parties. When District facilities exist in a common shared utility easement dedicated to the City and its assigns, the cost for relocation of District facilities will be shared equally between the District and the City.

Section 9. Moving Buildings in Franchise Area. When necessary, in order to permit any duly authorized person to move any building or other structure across or along any street within the City, the District shall temporarily raise or remove its facilities upon such streets upon reasonable notice in advance from the City, at such time and in such manner as may be reasonably necessary to accommodate such moving, consistent with the maintenance of proper operation of the District's transmission and distribution lines; provided, however, that the cost to the District of such temporary raising or removal, or any interruption of the District's operating of said transmission and distribution lines caused thereby, shall first be paid or satisfactorily secured to the District by the owner or mover of such building or other structure.

Section 10. City Use of Facilities. The City shall be permitted, subject to a joint-use agreement and paying appropriate fees to the District, to install and maintain City-owned non-commercial communications equipment, wires and/or fiber to the poles or within the communication conduits of the District in said City, but at the City's own risk and only in accordance with standard safety practices. If there is not sufficient space available thereon/in for said purpose, the District's structure may be so changed, altered, or rearranged at the expense of the City as to provide proper clearance or capacity for such wires. Such wires shall be subject to interference by the District only when and to the extent necessary for proper construction, reconstruction, maintenance, operation, or repair of the District's electric utility property and facilities.

Section 11. Records of Installation and Planning.

11.1 Upon the City's request, the District shall promptly provide to the City copies of available maps and plans of imminent planned improvements, relocations and conversions to its Facilities within the Franchise Area; provided however, any such maps or plans so submitted shall be for information purposes only and shall not obligate the District to undertake any specific improvements within the Franchise Area, nor shall such plan be construed as a proposal to undertake any specific improvements within the Franchise Area.

11.2 Upon the City's reasonable request, the District shall provide to the City copies of available drawings in use by the District showing the approximate locations of the District's Facilities at specific locations within the Franchise Area. Further, the District shall, upon the City's reasonable request, discuss and explore ways in which the District and the City may cooperate and coordinate activities with respect to the development of drawing file layers

compatible with the City's Geographic Information System ("GIS") which show the District's Facilities at specific locations in the Franchise Area. Notwithstanding the foregoing, the District does not warrant the accuracy or sufficiency of any such drawings, drawing file layers or other information provided by the District, and the District shall not be liable to the City or others for any errors or defects in the same.

11.3 The District shall further provide, upon the City's reasonable request in connection with the design of a City Project, copies of available drawings in use by the District showing the location of its facilities within the franchise area. At locations where clarification of facility locations on available drawings is required, the District, at the City's reasonable request shall provide field markings of its underground facilities within the franchise area for the design of City capital projects within the project limits at no cost to the City. The City will maintain all markings to the best of its ability per RCW Ch. 19.122. In addition, the District shall, upon the reasonable request of the City in connection with the design of any City capital Project, work in partnership with the City using methods such as excavating and pot holing to verify the actual location of its underground Facilities within the Franchise Area at the location of a City Project.

11.4 The parties acknowledge that the District is subject to and must comply with applicable federal and state laws and regulations that apply to attachments of wires, devices and other equipment ("Attachments") owned by third parties to the District's poles within the Franchise Area. As of the date of this Franchise, the District and third parties have attachments of wires, devices and other equipment to the District's poles within the Franchise Area use the Alden Systems as the means of providing official notice between them of actions required to be taken and reporting of actions taken by such third parties with respect to such Attachments. To the extent consistent with applicable federal and state laws and regulations and at the request of the City, the District will use commercially reasonable efforts (subject to the functional capabilities and limitations of Alden Systems in place from time to time) include the City as an interested party to any notification tickets submitted by the District in Alden Systems with respect to any of the District's poles with the Franchise Area that are permanently no longer in use by the District and which contain third party attachments. The City may monitor activity associated with such third party attachments through Alden Systems and engage directly with such third party to compel completion of such third party transfers under any applicable City authority.

11.5 Notwithstanding the foregoing, nothing in this Section 11 is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining and disclosing the location of utility facilities.

Section 12. Vegetation Management.

12.1 The District shall, on an annual basis, perform vegetation review throughout the City and identify areas that need vegetation management for the reliable and safe operation of the District's Facilities. . The City may accompany the District or its consultants in the review of vegetation in the Franchise Area, at its discretion. The District shall, on an annual basis, identify those areas targeted for accelerated or "hot spot" tree trimming and vegetation management and provide the City a written list and maps of locations within the Franchise

Area at which the District anticipates performing vegetation management activities for that year; provided that such list shall not limit the District's right under this Franchise to cut, trim or otherwise remove vegetation at any time within the Franchise Area which, due to proximity to the District's Facilities, pose an imminent threat to public safety or the reliable operation of the District's Facilities. On an annual basis, the City and the District shall meet to review the District's and the City's plans for vegetation management within the Franchise Area, and to the extent practicable, shall attempt to coordinate vegetation management work planned for the same or overlapping area with the Franchise Area. The District agrees to work with the City on the District's trimming plans to review for overlap with the City's trimming plans and avoid unnecessary duplication and expenditure of funds in advance of the District's planned trimming. The District shall perform general trimming and vegetation management in the Franchise Area at least every four (4) years.

12.2 The District shall, in coordination with the City, identify vegetation species appropriate for location in proximity to the District's Facilities and shall cooperatively act with the City to promote use of such identified species within and adjacent to the Franchise Area.

12.3 The District shall, except as provided in Section 4.3 and 4.4, apply for and obtain a franchise utility right-of-way permit, with traffic control plan, for all vegetation management within the City. The District shall not commence non-emergency vegetation management work without notice to abutting private property owners or occupants at least two (2) business days in advance of the work to be performed, including a general time frame and description of work, and a contact name and telephone number at the District. In performing vegetation management work, the District shall comply with ANSI 300 pruning standards. The District shall notify the City at least two (2) business days prior to any vegetation management work being conducted within the Franchise Area; except that emergency work can be done the same day, provided the City is contacted either by phone or email as soon as feasible. A knowledgeable District representative will stay in close communication with the City while vegetation management work is performed within the Franchise Area. The District shall conduct periodic performance reviews at the request of the City.

12.4 At the request of an abutting private property owner, the District shall employ or consult with a certified arborist to assess the type of pruning proposed to be done and/or shall provide the abutting owner with alternatives to the type of pruning proposed to be done. The District will reasonably consider alternatives proposed by the abutting property owner and any certified arborist hired by the property owner.

12.5 Nothing in this Franchise is intended to absolve the District from any liability resulting from damage caused by trees that are severely pruned or topped by the District and subsequently fall as a result of such pruning or topping.

12.6 In the event trees need to be trimmed within the Franchise Area, the District shall notify the City at least 2 days ahead of time, except as provided in Section 4.3 and 4.4. The City shall have final determination of whether a tree needs to be removed in the right-of-way or Franchise Area and replacement trees shall be negotiated between the City and the District or their contractor on a case by case basis.

12.7 All debris associated with line clearance tree trimming and/or removal work within the Franchise Area will be chipped and removed by the District or its contractor from the site at no cost to the City. “Drop and Scatter” practices will require prior approval from the City. An exception is for the District to leave firewood on site at the property owner’s request.

12.8 When trees are heavily trimmed or removed from or adjacent to the Franchise Area, the District shall perform the work in such a way as to avoid damage to other trees within that area. If additional trees are accidentally damaged during such work, the District or its contractor, will use its best efforts to appropriately prune any such damaged trees. The City is to be contacted immediately in the event of any unplanned damage to City owned trees.

12.9 The District shall commit to responding to all vegetation management inquiries in the Franchise Area:

- (a) Within two (2) business days of being contacted by a customer in response to planned vegetation management work on or near their residence; and
- (b) Within two (2) weeks of receipt of all general vegetation management inquiries.

12.10 The parties shall endeavor to resolve disputes arising under this section in good faith.

Section 13. Indemnification.

13.1 Franchisee releases, covenants not to bring suit, and agrees to indemnify, defend, and hold harmless the City, its officers, employees, agents, volunteers and representatives from any and all claims, costs, judgments, awards, or liability to any person, for injury or death of any person, or damage to property caused by or arising out of any negligent acts or omissions of Franchisee, its agents, servants, officers, or employees in the performance of this Franchise and any rights granted within this Franchise. Further, Franchisee shall indemnify, defend and hold harmless the City, its officers, employees, agents, volunteers and representatives from any and all claims, costs, judgments, awards or liability to any person arising from radio frequency emissions or radiation emitted from Franchisee’s Facilities located in the Rights-of-Way, regardless of whether Franchisee’s equipment complies with applicable federal statutes and/or FCC regulations related thereto. These indemnification obligations shall extend to claims that are not reduced to a suit and any claims that may be compromised, with Franchisee’s prior written consent, prior to the culmination of any litigation or the institution of any litigation.

13.2 Inspection or acceptance by the City of any work performed by Franchisee at the time of completion of construction shall not be grounds for avoidance by Franchisee of any of its obligations under this Section 13.

13.3 The City shall promptly notify Franchisee of any claim or suit and request in writing that Franchisee indemnify the City. Franchisee may choose counsel to defend the City subject to this Section 13.3. City’s failure to so notify and request indemnification shall not relieve Franchisee of any liability that Franchisee might have, except to the extent that such failure prejudices Franchisee’s ability to defend such claim or suit. In the event that Franchisee refuses the tender of defense in any suit or any claim, as required pursuant to the indemnification provisions within this Franchise, and said refusal is subsequently determined by a court having jurisdiction (or

such other tribunal that the parties shall agree to decide the matter), to have been a wrongful refusal on the part of Franchisee, Franchisee shall pay all of the City's reasonable costs for defense of the action, including all expert witness fees, costs, and attorney's fees, and including costs and fees incurred in recovering under this indemnification provision. If separate representation to fully protect the interests of both parties is necessary, such as a conflict of interest between the City and the counsel selected by Franchisee to represent the City, then upon the prior written approval and consent of Franchisee, which shall not be unreasonably withheld, the City shall have the right to employ separate counsel in any action or proceeding and to participate in the investigation and defense thereof, and Franchisee shall pay the reasonable fees and expenses of such separate counsel, except that Franchisee shall not be required to pay the fees and expenses of separate counsel on behalf of the City for the City to bring or pursue any counterclaims or interpleader action, equitable relief, restraining order or injunction. The City's fees and expenses shall include all out-of-pocket expenses, such as consultants and expert witness fees, and shall also include the reasonable value of any services rendered by the counsel retained by the City but shall not include outside attorneys' fees for services that are unnecessarily duplicative of services provided the City by Franchisee. Each party agrees to cooperate and to cause its employees and agents to cooperate with the other party in the defense of any such claim and the relevant records of each party shall be available to the other party with respect to any such defense.

13.4 It is specifically and expressly understood that the indemnification provided constitutes Franchisee's waiver of immunity under Title 51 RCW, solely for the purposes of this indemnification, relating solely to indemnity claims made by the City directly against the Franchisee for claims made against the City by Franchisee's employees. This waiver has been mutually negotiated by the parties.

13.5 In no event shall the City be liable for any indirect, incidental, special, consequential, exemplary, or punitive damages, including by way of example and not limitation lost profits, lost revenue, loss of goodwill, or loss of business opportunity in connection with the District's performance or failure to perform under this Franchise.

13.6 The provisions of this Section 13 shall survive the expiration, revocation, or termination of this Franchise.

Section 14. Insurance.

14.1 Franchisee shall procure and maintain for so long as Franchisee has Facilities in the Public Ways, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the acts or omissions of Franchisee. Franchisee shall procure insurance from insurers with a current A.M. Best rating of not less than A.

In lieu of purchasing a stand-alone insurance policy, if Franchisee is a member of a risk pool in good standing in the State of Washington, Franchisee may satisfy the requirements of Section 14 by providing an Evidence of Coverage Letter from its risk pool demonstrating Franchisee is a member and is afforded the coverage levels required by this Franchise for the risks noted in 14.1(a)-(e).

Franchisee shall provide a copy of a certificate of insurance and additional insured endorsement, or the Evidence of Coverage Letter noted above, to the City for its inspection at the time of acceptance of this Franchise, and such insurance certificate or letter shall evidence a policy of insurance that includes:

- (a) Automobile Liability insurance with limits of no less than \$5,000,000 combined single limit per occurrence for bodily injury and property damage;
- (b) Commercial General Liability insurance, written on an occurrence basis with limits of no less than \$5,000,000 per occurrence for bodily injury and property damage and \$5,000,000 general aggregate including personal and advertising injury, blanket contractual; premises; operations; independent contractors; products and completed operations; and broad form property damage; explosion, collapse and underground (XCU);
- (c) Pollution liability shall be in effect throughout the entire Franchise term, with a limit of one million dollars (\$1,000,000) per occurrence, and two million dollars (\$2,000,000) in the aggregate;
- (d) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington and Employer's Liability with a limit of \$1,000,000 each accident/disease/policy limit. Evidence of qualified self-insurance is acceptable; and
- (e) Excess Umbrella liability policy with limits of no less than \$5,000,000 per occurrence and in the aggregate. Franchisee may use any combination of primary and excess to meet required total limits.

14.2 Payment of deductible or self-insured retention shall be the sole responsibility of Franchisee. Franchisee may utilize primary and umbrella liability insurance policies to satisfy the insurance policy limits required in this Section 14. Franchisee's umbrella liability insurance policy shall provide "follow form" coverage over its primary liability insurance policies.

14.3 The required insurance policies, or evidence of risk pool coverage with the exception of Workers' Compensation and Employer's Liability obtained by Franchisee shall include the City, its officers, officials, employees, agents, and volunteers ("Additional Insureds"), as an additional insured with regard to activities performed by or on behalf of Franchisee, with coverage at least as broad as Additional Insured Managers Lessors of Premises ISO form CG 20 11. The coverage shall contain no special limitations on the scope of protection afforded to the Additional Insureds. In addition, the insurance policy shall contain a clause stating that coverage shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability. Franchisee shall provide to the City upon acceptance a certificate of insurance and blanket additional insured endorsement, or evidence of coverage letter. Receipt by the City of any certificate showing less coverage than required is not a waiver of Franchisee's obligations to fulfill the requirements. Franchisee's required general and auto liability insurance shall be primary insurance with respect to the City. Any insurance,

self-insurance, or insurance pool coverage maintained by the City shall be in excess of Franchisee's required insurance and shall not contribute with it.

14.4 Upon receipt of notice from its insurer(s) Franchisee shall provide the City with thirty (30) days prior written notice of any cancellation of any insurance policy, required pursuant to this Section 14. Franchisee shall, prior to the effective date of such cancellation, obtain replacement insurance policies meeting the requirements of this Section 14. Failure to provide the insurance cancellation notice and to furnish to the City replacement insurance policies meeting the requirements of this Section 14 shall be considered a material breach of this Franchise and subject to the City's election of remedies described in Section 15 below. Notwithstanding the cure period described in Section 15, the City may pursue its remedies immediately upon a failure to furnish replacement insurance.

14.5 Franchisee's maintenance of insurance as required by this Section 14 shall not be construed to limit the liability of Franchisee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or equity. Further, Franchisee's maintenance of insurance policies required by this Franchise shall not be construed to excuse unfaithful performance by Franchisee. If Franchisee maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess Umbrella liability maintained by the Franchisee, irrespective of whether such limits maintained by the Franchisee are greater than those required by this contract or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Franchisee.

14.6 The City may review all insurance limits at the end of each Term of the Franchise Agreement and may make reasonable adjustments in the limits upon thirty (30) days' prior written notice to Franchisee. Franchisee shall then issue a certificate of insurance to the City showing compliance with these adjustments. Upon request by the City, Franchisee shall furnish certified copies of all required insurance policies, including endorsements, required in this Franchise and evidence of all contractors' coverage.

As of the Effective Date of this Franchise, Franchisee is not self-insured. Should Franchisee wish to become self-insured at the levels outlined in this Franchise at a later date. Franchisee or its affiliated parent entity shall comply with the following: (i) provide the City, upon request, a copy of Franchisee's, or its parent company's, most recent audited financial statements, if such financial statements are not otherwise publicly available; (ii) Franchisee or its parent company is responsible for all payments within the self-insured retention; and (iii) Franchisee assumes all defense and indemnity obligations as outlined in the indemnification section of this Franchise.

Section 15. Failure to Perform/Termination.

If the District shall fail to perform or comply with any of the obligations and requirements imposed by this Ordinance, after the receipt of written notice from the City specifying the respect in which the District is deemed to be in default hereunder and demanding that such default be remedied within a reasonable time to be fixed in such notice, the right and franchise granted herein may be terminated and annulled by the City Council, after reasonable opportunity for the District to be heard and appropriate determination is made with respect to

such alleged default.

Section 16. Reimbursement of Administrative Costs.

16.1 As specifically provided by RCW 35.21.860, the City may not impose a franchise fee or any other fee or charge of whatever nature or description upon the District.

16.2 As provided in RCW 35.21.860 the District shall reimburse and pay for the City's administrative expenses and costs incurred by the City that are directly related to: (a) receiving and approving a permit, license or this Franchise, (b) inspecting plans and construction, or (c) preparing a detailed statement as may be required by Chapter 43.21C RCW. The District acknowledges and agrees that it shall pay such actual administrative expenses incurred by the City, relating to the receipt, review and approval of this Franchise under Subsection 16.2(a).

16.3 As such expenses are incurred by the City, the City shall invoice the District for all administrative expenses and costs to be reimbursed by the District hereunder including an itemized statement showing such expenses and costs. The District shall promptly remit payment to the City within thirty (30) days of receipt of such invoice. Notwithstanding any other provision of this Franchise, no acceptance by the District of this Franchise shall be effective if the District fails to pay the City's initial invoice for administrative expenses and costs properly reimbursable under Section 16.2(a) that are incurred by the City in receiving and approving this Franchise.

16.4 If the District disputes any expense or cost included on the City's invoice, the District shall promptly notify the City thereof and shall otherwise promptly remit payment for any and all undisputed expenses and costs included on the City's invoice. As to any cost expense or cost disputed by the District, the District shall promptly provide written identification of such disputed amounts together with its written justification for such dispute to the City for the City's consideration. The District and the City shall work together in good faith to resolve any disputed amounts, including provision by either party or both parties of such further information and documentation supporting or refuting such disputed amounts as may reasonably and practically be provided. Until any such dispute is resolved by the Parties the City may, at its sole discretion, suspend work being performed by the City or the District and/or by withholding City issued permits or City approvals related to such disputed amounts. Except as set forth in this Section 16, such dispute will not otherwise affect any other obligation of the parties under this Franchise.

Section 17. Repeal of Former Franchise Agreement. This Franchise shall be governed, construed and enforced in accordance with the laws of the State of Washington (as amended), any applicable rules, regulations and orders of the FCC, as amended, and any other applicable local, State and federal laws, rules, and regulations, as amended. The Former Franchise Agreement extended by Ordinances 5810 and 5837 is repealed hereby and the Parties shall proceed under the terms and conditions as of the effective date of this Franchise Agreement.

Section 18. Applicable Taxes, Charges and Fees. That as consideration for granting said franchise, the District will be liable utility tax, as provided from time to time in the City Utility Tax Ordinance or other City ordinance, and City permit fees for work in the right-of-way. The District shall pay a franchise processing fee to the City of One Thousand Two-

Hundred Fifty Dollars (\$1,250.00).

Section 19. Assignment of Franchise. Said franchise may not be assigned without written consent of the Grantor, but if such consent is given and the franchise is assigned, it shall be binding upon the successors, assigns, and independent contractors of the District.

Section 20. Amendments to Franchise. This franchise may be amended only by written instrument, signed by both parties, which specifically states that it is an amendment of this franchise and is approved and executed in accordance with the laws of the State of Washington.

Section 21. Severability and Survival.

21.1 If any term, provision, condition or portion of this Franchise shall be held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Franchise which shall continue in full force and effect. The headings of the sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

21.2 All provisions, conditions and requirements of this Franchise that may be reasonably construed to survive the termination or expiration of this Franchise shall survive the termination or expiration of the Franchise. The parties' respective rights and interests under this Franchise shall insure to the benefit of their successors and assigns.

Section 22. No Third Party Beneficiary. Nothing in this Franchise shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party. This Franchise shall not confer any right or remedy upon any person other than the parties. No action may be commenced or prosecuted against any party by any third party claiming as a third party beneficiary of this Franchise. This Franchise shall not release or discharge any obligation or liability of any third party to either party.

Section 23. Effective Date. This ordinance shall be effective five days after the passage, approval and publication as required by law. The District shall provide written acceptance prior to passage of this ordinance.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON, this ____ day of _____, 2020, and signed in authentication of its passage this ____ day of _____, 2020.

Attest:

DON BRITAIN, Mayor

TERRI L. WRIGHT, City Clerk

ORDINANCE NO. 0000 filed and recorded in the office of the City Clerk of the City of Kennewick, Washington this ____ day of _____, 2020.

Approved as to Form:

LISA BEATON, City Attorney

TERRI L. WRIGHT, City Clerk

DATE OF PUBLICATION _____

CITY OF KENNEWICK
ORDINANCE NO. 5871

AN ORDINANCE OF THE CITY OF KENNEWICK GRANTING TO
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY A NON-
EXCLUSIVE FRANCHISE TO CONSTRUCT, INSTALL, OPERATE,
MAINTAIN, REPAIR, OR REMOVE FIBER OPTIC CABLES WITHIN
THE PUBLIC WAYS OF THE CITY OF KENNEWICK

WHEREAS, the Kennewick City Council passed Ordinance 2000 on October 19, 1976, adopting the classification of non-chartered code city for the City of Kennewick; and

WHEREAS, Article 11, Section 11, of the Washington State Constitution provides that the City of Kennewick “may make and enforce within its limits all such local police, sanitary and other regulations as are not in conflict with general laws;” and

WHEREAS, the Kennewick City Council, by Section 35A.11.020 of the Revised Code of Washington, through Section 35A.13.230 of the Revised Code of Washington, has any authority ever given to any class of municipality or to all municipalities of this state, and all powers possible for a city or town to have under the Constitution of this state, and not specifically denied to code cities by law, which may be exercised in regard to the regulation or use of public ways and property of all kinds and improvements thereto; and

WHEREAS, Section 35A.47.040 of the Revised Code of Washington authorizes the City to grant, permit, and regulate non-exclusive franchises for the use of public ways; and

WHEREAS, Public Utility District No. 1 of Benton County, hereinafter referred to as the Franchisee has applied to the City of Kennewick, Washington for a non-exclusive franchise to enter, occupy, and use public ways to construct, install, operate, maintain, and repair fiber optic facilities to offer and provide telecommunications service for hire, sale, resale, and internal use for the purposes of operating an electrical distribution utility in the City of Kennewick; and

WHEREAS, the 1934 Communications Act, as amended by the 1996 Telecommunications Act, 47 USC § 151, et seq., relating to telecommunications providers recognizes and provides state and local government authority to manage the public rights-of-way and to require fair and reasonable compensation on a competitively neutral and nondiscriminatory basis; and

WHEREAS, Washington’s Telecommunications Services Act, 2000 Wash. Laws, chapter 83, as amended, RCW Ch. 35.99, relating to telecommunications providers recognizes and provides Washington cities authority to require franchises and use permits for constructing, installing, operating, maintaining, repairing, or removing telecommunication facilities in public rights-of-way; and

WHEREAS, a franchise is a legislatively approved master permit granting general permission to a service provider to enter, use, and occupy the public ways for the purpose of locating facilities

subject to requirements that a franchisee must also obtain separate use permits from the City for use of each and every specific location in the public ways in which the franchisee intends to construct, install, operate, maintain, repair or remove identified facilities; and

WHEREAS, a franchise does not include, and is not a substitute for any other permit, agreement, or other authorization required by the City, including without limitation, permits required in connection with construction activities in public ways which must be administratively approved by the City after review of specific plans; and

WHEREAS, the grant of a non-exclusive franchise requires submission to the City Attorney, an affirmative vote of at least a majority of the entire City Council and publication at least once in newspaper of general circulation; and

WHEREAS, the City Council finds that the franchise terms and conditions contained in this ordinance are in the public interest; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON, DO ORDRAIN AS FOLLOWS:

Section 1. Definitions. For the purposes of this Ordinance, the following terms, phrases, words, and their derivations will have the meanings given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined will have the meaning ascribed to those words in the Kennewick Municipal Code unless inconsistent herewith.

"Cable Television Service" means the one-way transmission to subscribers of video programming and other programming service and subscriber interaction, if any, that is required for the selection or use of the video programming or other programming service.

"City" means the City of Kennewick, Washington, its agencies, departments, and divisions.

"City Property" means and includes all real property owned by the City, other than public ways, including without limitation, City parks, and all property owned in fee by the City.

"Conduit" means optical cable housing, jackets, or casing, and pipes, tubes, or tiles used for receiving and protecting wires, lines, cables, and communication and signal lines.

"Costs" means costs, expenses, and other financial obligations of any kind whatsoever.

"Dark Fiber" means properly functioning optical cable which is not used or available for use by Franchisee or the general public.

"Effective Date" means five days following the publication of this Franchise or a summary thereof occurs in an official newspaper of the City as provided by law.

"Emergency" means a condition of imminent danger to the health, safety, and welfare of property or persons located within the City including, without limitation, damage to persons or property from accidents or natural consequences, such as storms, earthquakes, riots or wars.

"Existing" means in actual physical being upon the effective date of this Franchise.

"Facilities" means all of the plant, equipment, fixtures, appurtenances, and other facilities necessary to furnish and deliver telecommunications services, including but not limited to poles with crossarms, poles without crossarms, wires, lines, conduits, cables, communication and signal lines and equipment, braces, guys, anchors, vaults, and all attachments, appurtenances, and appliances necessary or incidental to the distribution and use of telecommunications services.

"Fiber Optics" means the technology of guiding and projecting light for use as a communications medium.

"Franchisee" means the Public Utility District No. 1 of Benton County to whom this Franchise is granted by the Council pursuant to this Franchise and the lawful successor, transferee or assignee of said person subject to such conditions as defined herein.

"Governmental Use" means use by the City, State, or agencies or departments of the United States for the transmission of information by wire, radio, optical cable, electromagnetic, or other similar means both internally and externally within or between their various agencies, departments, and divisions.

"Incremental Costs" means the actual and necessary costs incurred which exceed costs which would have otherwise been incurred. Incremental costs shall not include any part, portion, or pro-ration of costs, of any kind whatsoever, including without limitation overhead or labor costs, which would have otherwise been incurred.

"Information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols.

"Optical Cable" means wires, lines, cables and communication and signal lines used to convey communications by fiber optics.

"Overhead Facilities" means facilities located above the surface of the ground, including the underground supports and foundations for such facilities.

"Person" means natural person, joint venture, joint stock association or company, partnership, firm, association, club, company, corporation, business, trust, or organization.

"Personal Wireless Services" means commercial mobile services, unlicensed wireless services, and common carrier wireless exchange access services, as defined by federal laws and regulations.

"Public Street" means any highway, street, alley or other public right of way for motor vehicle travel under the jurisdiction and control of the City which has been acquired, established, dedicated or devoted to such purposes.

"Public Way" means and includes all public streets, utility easements, and other rights-of-way, now or hereafter owned by the City, but only to the extent of the City's right, title, interest or authority to grant a license or franchise to occupy and use such public streets, utility easements, or other rights-of-way for telecommunications facilities. "Public way" does not include City property; State highways; land dedicated for roads, streets, and not opened and not improved for motor vehicle use by the public; structures, including poles and conduits, located within the public way; federally granted trust lands or forest board trust lands; lands owned or managed by the state parks and recreation commission; or federally granted railroad rights of way that are not open for motor vehicle use.

"Street Tree" means any tree located in, or that portion over-hanging, any public way and any tree planted on private property near a public way at the direction of the City.

"Telecommunications Service" means the transmission of information by wire, radio, optical cable, electromagnetic, or other similar means for hire, sale, or resale to the general public.

"Telecommunications Service" excludes the over-the-air transmission of broadcast television or broadcast radio signals.

"State" means the State of Washington, its agencies, departments, and governmental subdivisions, and all agencies, departments, and divisions of its agencies, departments, and governmental subdivisions.

"Underground Facilities" means facilities located under the surface of the ground, other than underground foundations or supports for overhead facilities.

"Utility Poles" means poles, and crossarms, devices, and attachments directly affixed to such poles which are used for the transmission and distribution of electrical energy, signals, or other methods of communication.

Section 2. Franchise.

- A. The City of Kennewick, Benton County, Washington, hereinafter referred to as the City, hereby grants to Public Utility District No. 1 of Benton County, hereinafter referred to as the Franchisee or the District, subject to the terms and conditions of this Franchise, a non-exclusive franchise to enter, occupy, and use public ways for constructing, installing, operating, maintaining, repairing, and removing wireline facilities necessary to provide telecommunications services. Except as expressly provided otherwise in subsections 4(E)(1)-(4) and 17(A) and (B) Franchisee shall construct, install, operate, maintain, repair, and remove its facilities at its expense.

- B. Nothing in this Franchise grants authority to Franchisee to enter, occupy, or use public ways for constructing, installing, operating, maintaining, repairing, or removing wireless communication facilities. An allowable exception is that Franchisee may install, operate, maintain, repair, remove and replace PUD-owned radio transceivers to communicate with customer premise equipment for the purposes of support for retail broadband service providers. Further exceptions shall be addressed through Interlocal Agreements between the Franchisee and the City.
- C. Nothing in this Franchise grants authority to Franchisee to enter, occupy, or use City property.
- D. Any rights, privileges, and authority granted to Franchisee under this Franchise are subject to the legitimate rights of the police power of the City to adopt and enforce general ordinances necessary to protect the safety and welfare of the public, and nothing in this Franchise excuses Franchisee from its obligation to comply with all applicable general laws enacted by the City pursuant to such power. Any conflict between the terms or conditions of this Franchise and any other present or future exercise of the City's police powers will be resolved in favor of the exercise of the City's police power.
- E. Nothing in this Franchise excuses Franchisee of its obligation to identify its facilities per WAC or RCW and proposed facilities and their location or proposed location in the public ways and to obtain use and/or development authorization and permits from the City before entering, occupying, or using public ways to construct, install, operate, maintain, repair, or remove such facilities.
- F. Nothing in this Franchise excuses Franchisee of its obligation to comply with applicable codes, rules, regulations, and standards subject to verification by the City of such compliance.
- G. Nothing in this Franchise shall be construed to limit taxing authority or other lawful authority to impose charges or fees, or to excuse Franchisee of any obligation to pay lawfully imposed charges or fees.
- H. Nothing in this Franchise grants authority to Franchisee to impair or damage any City property, public way, other ways or other property, whether publicly or privately owned.
- I. Nothing in this Franchise shall be construed to create a duty upon the City to be responsible for construction of facilities or to modify public ways to accommodate Franchisee's facilities.
- J. Nothing in this Franchise grants authority to Franchisee to provide or offer cable television service

- K. Franchisee may use the wireline facilities authorized by this Franchise for the transmission of information used to provide personal wireless services only as expressly provided in this Franchise.
- L. Nothing in this Franchise shall be construed to create, expand, or extend any liability of the City to any third party user of Franchisee's facilities or to otherwise recognize or create third party beneficiaries to this Franchise.
- M. Nothing in this Franchise shall be construed to permit Franchisee to unlawfully enter or construct improvements upon the property or premises of another.
- N. Nothing in this Franchise authorizes Franchisee to enter or construct improvements on, in, under, over, across, or within any property or right-of-way of any third party without that party's permission.

Section 3. Term. Authorization granted under this Franchise shall be for a period of five (5) years from the effective date of this Franchise. The franchise will automatically renew for one successive period of five (5) years unless terminated at the end of the term by either party by written notice to the other party no less than 180 calendar days prior to the end of the term.

Section 4. Location of Facilities.

- A. Franchisee must place its facilities underground except as otherwise expressly provided herein. Subject to the terms and conditions of this Franchise, Franchisee may place optical cable, optical cable housing, and splicing connections on existing utility poles as overhead facilities if approved by the owner of the utility poles. All other facilities, including, without limitation, facilities required to operate or maintain such optical cable and optical cable housing, and splicing connections must be underground facilities if they are located in a public way.
- B. Franchisee's facilities shall not unreasonably interfere with the use of public ways or City property by the City, the general public, or other persons authorized to enter, occupy, or use public ways or City property. Whenever new facilities will exhaust the capacity of a public way to reasonably accommodate future users or facilities, the Franchisee shall provide nondiscriminatory access to its facilities to future users and facilities.
- C. Franchisee shall not impair or damage any City property, public way, other ways or other property, whether publicly or privately owned.
- D. Franchisee shall provide the City with information in such form requested by the City which accurately reflects the horizontal and vertical location and configuration of all of Franchisee's facilities. Franchisee shall provide the City with updated information annually or upon request by the City.

- E. Franchisee shall relocate its facilities at the request of the City when there is construction, alteration, repair or improvement of a public way. Franchisee shall complete the relocation by the date specified by the City or as mutually agreed upon with the District, unless the City, or a reviewing court, establishes a later date for completion, after a showing by Franchisee that the relocation cannot be completed by the dates specified using best efforts and meeting safety and service requirements. Franchisee shall relocate its facilities at its expense except:
- (1) Where the Franchisee had paid for the relocation costs of the same facilities at the request of the City within the past five (5) years, the Franchisee's share of the cost of relocation will be paid by the City if it requested the subsequent relocation.
 - (2) Where the Franchisee has an ownership share of the existing utility poles upon which its optical cable and optical cable housing is located as overhead facilities, the additional incremental cost of underground to aerial relocation, or as provided for in an approved tariff if less, will be paid by the City if it required the underground relocation.
 - (3) Where the City requests relocation of underground facilities solely for aesthetic purposes, the cost of relocation shall be paid by the City; provided, however, in no event shall a request by the City to relocate overhead facilities to underground be considered to be made for aesthetic purposes. Franchisee is authorized to place optical cable and optical cable housing on existing utility poles as overhead facilities only as an exception to pre-existing City policies which require undergrounding, and the cost of relocating overhead facilities to underground shall be paid by the Franchisee except as provided in Section 4(E)(2).
 - (4) Where the construction, alteration, repair or improvement of a public way is primarily for private benefit, the Franchisee may seek reimbursement from the private party or parties for the cost of relocation in the same proportion as their contribution to the costs of the project; provided, however, in no event shall the City be considered a private party for purposes of seeking reimbursement under this section.
- F. Franchisee shall relocate its facilities at its expense at the request of the City in the event of an unforeseen emergency that creates an immediate threat to the public safety, health or welfare.

Section 5. Pole, Structures and Property Owned by Others. Franchisee must obtain written approval from the owners of utility poles, structures and property not owned by Franchisee prior to attaching to or otherwise using such poles, structures or property, and provide proof of such approval to the City. The City makes no representation and assumes no responsibility for the availability of utility poles, structures, and property owned by third parties for the installation of Franchisee's facilities. The City shall not be liable for the unavailability of utility poles, structures, and property owned by third parties for any reason whatsoever. The installation of facilities by Franchisee on or in the poles, structures, or property owned by others shall be subject to and limited by the owner's authority to enter, occupy, and use public ways. In the event that the authority of the owner of poles, structures, or property to enter, occupy, and use the public ways either expires, terminates, or is cancelled, the authority of Franchisee to construct, install, operate, maintain, and repair Franchisee's facilities at such locations may be

immediately cancelled at the sole option of the City. The City shall not be liable for the costs for removal of facilities arising from expiration, termination, or cancellation of any pole owner's authority to enter, occupy, or use public ways for any reason whatsoever.

Section 6. Construction and Installation Requirements.

- A. The technical performance of the facilities must meet or exceed all applicable technical standards required by law, regardless of the transmission technology utilized. The City will have the full authority permitted by applicable law to enforce compliance with these technical standards.
- B. All installations of facilities will be durable and installed in accordance with good engineering, construction, and installation practices.
- C. All facilities shall be constructed and installed in such manner and at such points so as not to inconvenience public use of the public ways or to adversely affect the public health, safety or welfare and in conformity with plans approved by the City, except in instances in which deviation may be allowed by the City.
- D. The plans shall conform to all federal, state, local, and industry codes, rules, regulations, and standards. Franchisee must cease work immediately if the City determines that Franchisee is not in compliance with such codes, rules, regulations, or standards, and may not begin or resume work until Franchisee is in compliance. The City shall not be liable for any costs arising out of delays occurring as a result of such work stoppage.
- E. Neither approval of plans by the City nor any action or inaction by the City shall relieve Franchisee of any duty, obligation, or responsibility for the competent design, construction, and installation of its facilities. Franchisee is solely responsible for the supervision, condition, and quality of the work done, whether it is performed by itself or by its contractors, agents, or assigns.

Section 7. Bonding Requirement.

- A. The Parties agree that Pursuant to RCW 35A.47.040, the City can require the Franchisee to file a bond; however the District is a public agency and as such the City is not requiring the Franchisee to file a bond upon acceptance of this Franchise. In lieu of requiring the bond upon acceptance the City reserves the right to require the Franchisee to file a bond with the City in the event it finds the Franchisee or its contractors, subcontractors, or agents have failed to perform the "Bonded Obligations" as noted below. The Franchisee shall, within thirty (30) days after notice from the City that a bond will be required, file with the City, and at times thereafter, maintain in full force and effect for the term of this Franchise, a bond executed by the Franchisee and a corporate surety authorized to do surety business in the State of Washington, with an AM Best rating of A XII. The amount shall be as provided in Section 7.C and shall secure

performance of the Franchisee's obligations. The bond shall be in a manner and form reasonably acceptable to the City and secure the Franchisee's faithful performance of the Bonded Obligations and provide recovery on the bond in case of the Franchisee's failure to perform the Bonded Obligations. The Franchisee may meet the obligations of this section with one (1) or more bonds reasonably acceptable to the City. In the event that a bond furnished pursuant to this section is canceled by the surety, after proper notice and pursuant to the terms of said bond, the Franchisee shall, prior to the expiration of said bond, procure a replacement bond which complies with the terms of this section.

- B. In the event the Franchisee shall fail to perform any Bonded Obligations in undertaking any work or other activities within the Franchise Area authorized by this Franchise, and further fails to cure its deficiency within the time period identified in the City's written notice of such deficiency, then the City may recover jointly and severally from the Franchisee and the surety of such bond to ensure performance of the Bonded Obligations. This section shall be a continuing obligation for the duration of this Franchise and thereafter until the Franchisee has discharged all of its Bonded Obligations under this Franchise.
- C. The bond filed in accordance with the requirements of this Section 7 shall be in the amount of Twenty-Five Thousand Dollars and No/100 (\$25,000), but may be increased from time to time by mutual agreement of the parties if the volume of work being undertaken by the Franchisee within the Franchise Area under this Franchise at any given point in time materially increases such that an increase in the bond amount is reasonably necessary to provide adequate protection to the City for the Bonded Obligations covered by such work.
- D. In the event the City intends to execute on or seek recovery under any bond(s) furnished by the Franchisee pursuant to this Section 7, the City shall promptly provide written notice of same to the Franchisee. If the City successfully executes on any such bond, the Franchisee shall promptly obtain a replacement bond in like amount and/or take such other action as is reasonably necessary to ensure that the bond(s) required by this Section 7 are maintained in full force and effect for the term of this Franchise.
- E. The rights reserved to the City by this Section 7 are in addition to other rights of the City whether reserved by this Franchise or authorized by law, and not action, proceeding, or exercise of right under this Section 7 shall constitute an election or waiver of any rights or other remedies the City may have.

Section 8. Coordination of Construction and Installation Activities and Other Work.

- A. Franchisee shall coordinate its construction and installation activities and other work with the City and other users of the public ways.

- B. All construction or installation locations, activities and schedules shall be mutually coordinated between the City and Franchisee to minimize public inconvenience, disruption or damages.
- C. At least two (2) business days prior to entering a public way to perform construction and installation activities or other work, Franchisee shall give notice, at its cost, to owners and occupiers of property adjacent to such public ways indicating the nature and location of the work to be performed. Franchisee shall make a good faith effort to comply with the property owner or occupier's preferences, if any, on location or placement of underground facilities, consistent with sound engineering practices.
- D. Franchisee shall make available and accept the co-location of property of others within trenches excavated or used by Franchisee in the public ways provided the costs of the work are fairly allocated between the parties.
- E. Franchisee shall provide the City with a schedule of its proposed construction or installation activities and other work in, around, or that may affect the public ways or City property once determined by the Franchisee.
- F. The City shall give reasonable advance notice to Franchisee of plans to open public ways for construction or installation of facilities; provided, however, the City shall not be liable for damages for failure to provide such notice. When such notice has been given, Franchisee shall provide information requested by the City regarding Franchisee's future plans for use of the public way to be opened. When notice has been given, Franchisee may only construct or install facilities during such period that the City has opened the public way for construction or installation.
- G. In the event of any emergency where any Facilities located in the Franchise Area are broken or damaged, or if the Franchisee's work area within the Franchise Area is in such a condition as to endanger any person or property, the Franchisee may immediately take any necessary emergency measures to repair or remove its Facilities or otherwise make its work area safe without first applying for and obtaining a permit as required by Section 13. This provision shall not relieve the Franchisee from later obtaining any necessary permit for the emergency work. The Franchisee shall apply for the required permit the next business day following the emergency work or, in the case of an extended state of emergency, as soon thereafter as practical. Emergency work that did not disturb the integrity of the public improvements within the public right-of-way is excluded from obtaining a permit after the fact.

No permit or traffic plan is required to be submitted for:

- i. spot maintenance work on neighborhood residential streets that takes less than 2 hours at the location when no ground excavation is being done
- ii. scheduled aerial work or tree trimming on neighborhood residential streets when no ground excavation is being done.

iii. same location pole change out or replacement work is being performed on neighborhood residential streets as long as sidewalks, curbs, gutters, or paved surfaces are not disturbed.

The Franchisee shall at all times post and maintain proper barricades and traffic control and comply with all applicable safety regulations during any period of construction or maintenance activities within the right-of-way as required by City or state regulations, including RCW 39.04.180, for the construction of trench safety systems. The Franchisee shall set up and maintain proper traffic control for all lane closures, and shall avoid where possible doing lane closures during the peak traffic hours from 6:30am – 8:30am and 3:30pm – 6:00pm.

Section 9. Temporary Removal, Adjustment or Alteration of Facilities.

- A. Franchisee shall temporarily remove, adjust or alter the position of its facilities at its cost at the request of the City for public projects, events, or other public operations or purposes.

- B. If any person requests permission from the City to use a public way for the moving or removal of any building or other object, the City shall, prior to granting such permission, require such person or entity to make any necessary arrangements with Franchisee for the temporary removal, adjustment or alteration of Franchisee's facilities to accommodate the moving or removal of said building or other object. In such event, Franchisee shall, at the cost of the person desiring to move or remove such building or other object, remove, adjust or alter the position of its facilities which may obstruct the moving or removal of such building or other object, provided that:
 - (1) The moving or removal of such building or other object which necessitates the temporary removal, adjustment or alteration of facilities shall be done at a reasonable time and in a reasonable manner so as to not unreasonably interfere with Franchisee's business, consistent with the maintenance of proper service to Franchisee's customers;
 - (2) Where more than one route is available for the moving or removal of such building or other object, such building or other object shall be moved or removed along the route which causes the least interference with the operations of Franchisee, in the sole discretion of the City;
 - (3) The person obtaining such permission from the City to move or remove such building or other object may be required to indemnify and save Franchisee harmless from any and all claims and demands made against it on account of injury or damage to the person or property of another arising out of or in conjunction with the moving or removal of such building or other object, to the extent such injury or damage is caused by the negligence of the person moving or removing such building or other object or the negligence of the agents, servants or employees of the person moving or removing such building or other object; and

- (4) Completion of notification requirements by a person who has obtained permission from the City to use a public way for the moving or removal of any building or other object shall be deemed to be notification by the City.
- C. The City may temporarily remove, adjust or alter the position of Franchisee's facilities as the City may determine to be necessary, appropriate or useful in response to any public health or safety emergency. The City shall not be liable to Franchisee or any other party for any direct, indirect, or other damages suffered as a direct or indirect result of the City's actions.
- D. The temporary removal, adjustment or alteration of the position of Franchisee's facilities shall not be considered relocation for any purpose whatsoever.

Section 10. Safety and Maintenance Requirements.

- A. All work authorized and required under this Franchise will be performed in a safe, thorough, and workmanlike manner.
- B. Franchisee, in accordance with applicable federal, state, and local safety requirements shall, at all times, employ ordinary care and shall use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injury, or nuisance to occur. All facilities, wherever situated or located, shall at all times be kept in a good, safe, and suitable condition. If a violation of a safety code or other applicable regulation is found to exist by the City, the City may, after discussions with Franchisee, establish a reasonable time for Franchisee to make necessary repairs. If the repairs are not made within the established time frame, the City may make the repairs itself at the cost of the Franchisee or have them made at the cost of Franchisee.
- C. Franchisee, and any person acting in its behalf shall use suitable barricades, flags, flagmen, lights, flares, and other measures as required for the safety of all members of the general public during the performance of work, of any kind whatsoever, in public ways to prevent injury or damage to any person, vehicle, or property.
- D. Franchisee shall maintain its facilities in proper working order. Franchisee shall restore its facilities to proper working order upon receipt of notice from the City that facilities are not in proper working order. The City may, after discussions with Franchisee, establish a reasonable time for Franchisee to restore its facilities to proper working order. If the facilities are not restored to proper working order within the established time frame, the City may restore the facilities to proper working order or have them restored at the cost of Franchisee.

Section 11. Removal of Unauthorized Facilities.

Within ninety (90) days following written notice from the City, Franchisee shall, at its expense, remove unauthorized facilities and restore public ways and other property to as good a condition

as existed prior to construction or installation of its facilities. Any plan for removal of said facilities must be approved by the City prior to such work. Facilities are unauthorized and subject to removal in the following circumstances:

- A. Upon expiration, termination, or cancellation of this Franchise;
- B. Upon abandonment of the facilities. Facilities shall be deemed abandoned if they are unused by Franchisee for a period of ninety (90) days;
- C. If the facilities were constructed or installed prior to the effective date of this Franchise; unless such facilities were constructed or installed upon the condition of subsequent approval of this Franchise with the consent of the City;
- D. If the facilities were constructed, installed, operated, maintained, or repaired without the prior issuance of required use and/or development authorization and permits;
- E. If the facilities were constructed or installed or are operated, maintained or repaired in violation of the terms or conditions of this Franchise; or
- F. If the facilities are unauthorized for any reason whatsoever.

Provided, however, that the City may, in its sole discretion, allow a Franchisee to abandon facilities in place. No facilities may be abandoned in place without the express written consent of the City. Upon consensual abandonment in place of facilities, the facilities shall become property of the City, and Franchisee shall submit to the City an instrument in writing, to be approved by the City, transferring to the City the ownership of such facilities. The failure of Franchisee to submit an instrument shall not prevent, delay, or impair transfer of ownership to the City.

Section 12. Restoration of Public Ways and Other Property.

- A. When Franchisee, or any person acting on its behalf, does any work in or affecting any public way or other property, it shall, at its own expense, promptly remove any obstructions therefrom and restore, at Franchisee's cost, such ways and property to as near as is practical and per City of Kennewick's adopted Standard Specifications and Details, in each case as reasonably necessary to restore the integrity of the paving disturbed by the District's work. All survey monuments which are disturbed or displaced by such work shall be referenced and restored per WAC 332-120, as the same now exists or may hereafter be amended, and all pertinent federal, state, and City standards and specifications. The City Manager or designee shall have final approval of the condition of the Franchise Area after restoration.
- B. If weather or other conditions do not permit the complete restoration required by this section, the Franchisee shall temporarily restore the affected ways or property. Such temporary restoration shall be at the Franchisee's cost, and Franchisee lessee shall

promptly undertake and complete the required permanent restoration when the weather or other conditions no longer prevent such permanent restoration.

- C. All restoration work is subject to inspection and final approval by the City. If restoration is not made to the satisfaction of the City, the City shall provide the Franchisee with written notice including a description of actions the City reasonably believes necessary to restore the Franchise Area. If the Franchise Area is not restored in accordance with the City's notice within thirty (30) days of that notice, the City, or its authorized agent, may restore the Franchise Area. The Franchisee shall be responsible for and pay all costs and expenses incurred by the City in restoring the Franchise Area in accordance with this section. The Franchisee shall pay said costs and expenses within thirty (30) days of receipt of the City's billing for such work, including City overhead (provided that in no event shall such overhead exceed 10% of the total costs, fees and expenses). The remedy granted to the City under this section shall be in addition to those otherwise provided by this Franchise.

Section 13. Use and/or Development Authorization and Permits.

Franchisee shall obtain use and/or development authorization and required permits from the City and all other appropriate regulatory authorities prior to constructing or installing facilities or performing other work in a public way. The City must act on applications for use and/or development authorization or required permits within thirty (30) days of receipt of a completed application, unless Franchisee consents to a different time period.

- A. Franchisee shall provide the following information for all facilities that it proposes to construct or install:
- (1) Engineering plans, specifications and a network map of the proposed facilities and their relation to existing facilities, in a format and media requested by the City in sufficient detail to identify:
 - a. The location and route of the proposed facilities;
 - b. When requested by the City, the location of all overhead and underground public utility, telecommunication, cable, water, sewer, drainage and other facilities in the public way along the proposed route;
 - c. When requested by the City, the location(s), if any, for interconnection with the telecommunication facilities of others;
 - d. The specific trees, structures, improvements, facilities and obstructions, if any, that Franchisee proposes to temporarily or permanently alter, remove or relocate.
 - (2) If Franchisee is proposing to install overhead facilities, evidence of Franchisee's authorization to use each utility pole along the proposed route together with any conditions of use imposed by the pole owner(s) for each pole; if the overhead facilities are subsequently relocated underground, the Franchisee shall relocate underground at no cost to the City.

- (3) If Franchisee is proposing to install underground facilities in existing ducts or conduits within the public ways, information in sufficient detail to identify:
 - a. The intended use of Franchisee's duct or conduit system including the type and size of cable to be installed.
 - (4) If Franchisee is proposing to install underground facilities in new ducts or conduits within the public ways:
 - a. The location proposed for new ducts or conduits;
 - b. The number new of ducts or conduits;
 - c. The size of new ducts or conduits.
 - d. The intended use of Franchisee's duct or conduit system including the type and size of cable to be installed
 - (5) A preliminary construction schedule and completion date together with a traffic control plan in compliance with the Manual on Uniform Traffic Control Devices (MUTCD) for any construction.
 - (6) Information to establish that the applicant has obtained all other governmental approvals and permits to construct and operate the facilities.
 - (7) Such other documentation and information regarding the facilities requested by the City.
- B. The requirements of this section do not apply to installation of optical cable necessary to connect a customer of Franchisee to a previously approved facility; provided that neither excavation nor trenching in the public right of way is required, that the optical cable connection meets or exceeds all applicable technical standards required by law, that the optical cable connection is durable and installed in accordance with good engineering, construction, and installation practices and does not interfere with the public use of the public ways, or adversely affect public health safety or welfare, that the optical cable connection is constructed and installed to conform to all federal, state, local, and industry codes, rules, regulations, and standards, and that the optical cable connection does not damage or impair the City's urban forest.
- C. The requirements of this section do not apply to repair or maintenance of previously approved overhead facility; provided that the location and size of the previously approved facility is not materially changed, that no additional new facilities are constructed or installed, that the repair or maintenance activities are conducted in accordance with good engineering, repair, and maintenance practices and do not interfere with the public use of the public ways, or adversely affect public health, safety, or welfare, that maintenance or repair activities conform to all federal, state, local, and industry codes, rules, regulations, and standards, and that the repair or maintenance activities comply with Chapter 5.56 of the Kennewick Municipal Code.
- D.

Section 14. Indemnification.

- A. Franchisee releases, covenants not to bring suit, and agrees to indemnify, defend, and

hold harmless the City, its officers, employees, agents, volunteers and representatives from any and all claims, costs, judgments, awards, or liability to any person, for injury or death of any person, or damage to property caused by or arising out of any acts or omissions of Franchisee, its agents, servants, officers, or employees in the performance of this Franchise and any rights granted within this Franchise. Further, Franchisee shall indemnify, defend and hold harmless the City, its officers, employees, agents, volunteers and representatives from any and all claims, costs, judgments, awards or liability to any person arising from radio frequency emissions or radiation emitted from Franchisee's Facilities located in the Rights-of-Way, regardless of whether Franchisee's equipment complies with applicable federal statutes and/or FCC regulations related thereto. These indemnification obligations shall extend to claims that are not reduced to a suit and any claims that may be compromised, with Franchisee's prior written consent, prior to the culmination of any litigation or the institution of any litigation.

- B. Inspection or acceptance by the City of any work performed by Franchisee at the time of completion of construction shall not be grounds for avoidance by Franchisee of any of its obligations under this Section 14.

- C. The City shall promptly notify Franchisee of any claim or suit and request in writing that Franchisee indemnify the City. Franchisee may choose counsel to defend the City subject to this Section 14.C. City's failure to so notify and request indemnification shall not relieve Franchisee of any liability that Franchisee might have, except to the extent that such failure prejudices Franchisee's ability to defend such claim or suit. In the event that Franchisee refuses the tender of defense in any suit or any claim, as required pursuant to the indemnification provisions within this Franchise, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter), to have been a wrongful refusal on the part of Franchisee, Franchisee shall pay all of the City's reasonable costs for defense of the action, including all expert witness fees, costs, and attorney's fees, and including costs and fees incurred in recovering under this indemnification provision. If separate representation to fully protect the interests of both parties is necessary, such as a conflict of interest between the City and the counsel selected by Franchisee to represent the City, then upon the prior written approval and consent of Franchisee, which shall not be unreasonably withheld, the City shall have the right to employ separate counsel in any action or proceeding and to participate in the investigation and defense thereof, and Franchisee shall pay the reasonable fees and expenses of such separate counsel, except that Franchisee shall not be required to pay the fees and expenses of separate counsel on behalf of the City for the City to bring or pursue any counterclaims or interpleader action, equitable relief, restraining order or injunction. The City's fees and expenses shall include all out-of-pocket expenses, such as consultants and expert witness fees, and shall also include the reasonable value of any services rendered by the counsel retained by the City but shall not include outside attorneys' fees for services that are unnecessarily duplicative of services provided the City by Franchisee. Each party agrees to cooperate and to cause its employees and agents to cooperate with the other party in the defense of any such claim and the relevant records of each party shall be available to the other party with respect to any such defense.

- D. It is further specifically and expressly understood that the indemnification provided constitutes Franchisee's waiver of immunity under Title 51 RCW, solely for the purposes of this indemnification, relating solely to indemnity claims made by the City directly against the Franchisee for claims made against the City by Franchisee's employees. This waiver has been mutually negotiated by the parties.
- E. In no event shall the City be liable for any indirect, incidental, special, consequential, exemplary, or punitive damages, including by way of example and not limitation lost profits, lost revenue, loss of goodwill, or loss of business opportunity in connection with the District's performance or failure to perform under this Franchise.
- F. The provisions of this Section 14 shall survive the expiration, revocation, or termination of this Franchise.

Section 15. Insurance.

- A. Franchisee shall procure and maintain for so long as Franchisee has Facilities in the Public Ways, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the acts or omissions of Franchisee. Franchisee shall procure insurance from insurers with a current A.M. Best rating of not less than A.

In lieu of purchasing a stand-alone insurance policy, if Franchisee is a member of a risk pool in good standing in the State of Washington, Franchisee may satisfy the requirements of Section 15 by providing an Evidence of Coverage Letter from its risk pool demonstrating Franchisee is a member and is afforded the coverage levels required by this Franchise for the risks noted in 15.A(a)-(e).

Franchisee shall provide a copy of a certificate of insurance and additional insured endorsement, or the Evidence of Coverage Letter noted above, to the City for its inspection at the time of acceptance of this Franchise, and such insurance certificate or letter shall evidence a policy of insurance that includes:

- (a) Automobile Liability insurance with limits of no less than \$5,000,000 combined single limit per occurrence for bodily injury and property damage;
- (b) Commercial General Liability insurance, written on an occurrence basis with limits of no less than \$5,000,000 per occurrence for bodily injury and property damage and \$5,000,000 general aggregate including personal and advertising

injury, blanket contractual; premises; operations; independent contractors; products and completed operations; and broad form property damage; explosion, collapse and underground (XCU);

- (c) Pollution liability shall be in effect throughout the entire Franchise term, with a limit of one million dollars (\$1,000,000) per occurrence, and two million dollars (\$2,000,000) in the aggregate;
- (d) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington and Employer's Liability with a limit of \$1,000,000 each accident/disease/policy limit. Evidence of qualified self-insurance is acceptable; and
- (e) Excess Umbrella liability policy with limits of no less than \$5,000,000 per occurrence and in the aggregate. Franchisee may use any combination of primary and excess to meet required total limits.

B. Payment of deductible or self-insured retention shall be the sole responsibility of Franchisee. Franchisee may utilize primary and umbrella liability insurance policies to satisfy the insurance policy limits required in this Section 15. Franchisee's umbrella liability insurance policy shall provide "follow form" coverage over its primary liability insurance policies.

C. The required insurance policies, or evidence of risk pool coverage with the exception of Workers' Compensation and Employer's Liability obtained by Franchisee shall include the City, its officers, officials, employees, agents, and volunteers ("Additional Insureds"), as an additional insured with regard to activities performed by or on behalf of Franchisee, with coverage at least as broad as Additional Insured Managers Lessors of Premises ISO form CG 20 11. The coverage shall contain no special limitations on the scope of protection afforded to the Additional Insureds. In addition, the insurance policy shall contain a clause stating that coverage shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability. Franchisee shall provide to the City upon acceptance a certificate of insurance and blanket additional insured endorsement, or evidence of coverage letter. Receipt by the City of any certificate or evidence of coverage letter showing less coverage than required is not a waiver of Franchisee's obligations to fulfill the requirements. Franchisee's required general and auto liability insurance shall be primary insurance with respect to the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be in excess of Franchisee's required insurance and shall not contribute with it.

D. Upon receipt of notice from its insurer(s) Franchisee shall provide the City with thirty (30) days prior written notice of any cancellation of any insurance policy, required pursuant to this Section 15. Franchisee shall, prior to the effective date of such cancellation, obtain replacement insurance policies meeting the requirements of this

Section 15. Failure to provide the insurance cancellation notice and to furnish to the City replacement insurance policies meeting the requirements of this Section 15 shall be considered a material breach of this Franchise and subject to the City's election of remedies described in Section 24 below. Notwithstanding the cure period described in Section 24, the City may pursue its remedies immediately upon a failure to furnish replacement insurance.

- E. Franchisee's maintenance of insurance as required by this Section 15 shall not be construed to limit the liability of Franchisee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or equity. Further, Franchisee's maintenance of insurance policies required by this Franchise shall not be construed to excuse unfaithful performance by Franchisee. If Franchisee maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess Umbrella liability maintained by the Franchisee, irrespective of whether such limits maintained by the Franchisee are greater than those required by this contract or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Franchisee.
- F. The City may review all insurance limits at the end of each Term of the Franchise Agreement and may make reasonable adjustments in the limits upon thirty (30) days' prior written notice to Franchisee. Franchisee shall then issue a certificate of insurance to the City showing compliance with these adjustments. Upon request by the City, Franchisee shall furnish certified copies of all required insurance policies, including endorsements, required in this Franchise and evidence of all contractors' coverage.

As of the Effective Date of this Franchise, Franchisee is not self-insured. Should Franchisee wish to become self-insured at the levels outlined in this Franchise at a later date. Franchisee or its affiliated parent entity shall comply with the following: (i) provide the City, upon request, a copy of Franchisee's, or its parent company's, most recent audited financial statements, if such financial statements are not otherwise publicly available; (ii) Franchisee or its parent company is responsible for all payments within the self-insured retention; and (iii) Franchisee assumes all defense and indemnity obligations as outlined in the indemnification section of this Franchise.

Section 16. Applicable Taxes, Charges, and Fees.

- A. Franchisee shall pay and be responsible for all charges and fees imposed to recover actual administrative expenses incurred by the City that are directly related to receiving and

approving this Franchise, any use and/or development authorizations which may be required, or any permit which may be required, to inspecting plans and construction, or to the preparation of a detailed statement pursuant to RCW Ch. 43.21C. Regular application and processing charges and fees imposed by the City shall be deemed to be attributable to actual administrative expenses incurred by the City but shall not excuse Franchisee from paying and being responsible for other actual administrative expenses incurred by the City.

- B. Franchisee shall pay and be responsible for taxes permitted by law.
- C. The District shall pay a franchise processing fee to the City of One Thousand Two-Hundred Fifty Dollars (\$1,250.00).

Section 17. Additional Ducts and Conduits.

When the Franchisee is installing ducts and conduits in City right-of-way, the Franchisee shall inform the City and give the City the opportunity to install additional ducts or conduits for City purposes in a jointly shared trench. The City will reimburse the Franchisee for the incremental cost of the additional City ducts or conduits and related structures such as junction boxes. Such ducts and conduits shall be readily accessible and available for governmental use as determined by the City in its sole discretion. Such ducts and conduits shall not be used to provide telecommunications or cable television service for hire, sale, or resale to the general public unless otherwise agreed by the parties. The City shall not be charged or responsible for any more than the incremental costs to construct and install such ducts and conduits, and the City shall not be charged or responsible for any use, maintenance, or repair costs.

Section 18. Acquisition of Facilities. Upon Franchisee's acquisition of any facilities in the public way, or upon any addition or annexation to the City of any area in which Franchisee has facilities, such facilities shall immediately be subject to the terms of this Franchise without further action of the City or Franchisee.

Section 19. One-Call System. Franchisee is responsible for complying with the provisions of Washington's One-Call statutes: RCW Ch. 19.122.

Section 20. Vacation of Public Ways. The City reserves the right to vacate any public way which is subject to rights, privileges, and authority granted by this Franchise. If Franchisee has facilities in such public way, the City shall reserve an easement for Franchisee.

Section 21. Duty to Provide Information. Within ten (10) days, or as mutually agreed upon based on the volume of the information request, of a written request from the City, Franchisee shall furnish the City with all requested information sufficient to demonstrate:

- A. That Franchisee has complied with all requirements of this Franchise;
- B. That taxes, fees, charges, or other costs owed or payable by Franchisee have been properly collected and paid; and
- C. Franchisee's obligations under this section are in addition to those provided in subsection 4(E).

Section 22. Records.

- A. Franchisee will manage all of its operations in accordance with a policy of keeping its documents and records open and accessible to the City. The City will have access to, and the right to inspect, any documents and records of Franchisee and its affiliates that are reasonably necessary for the enforcement of this Franchise or to verify Franchisee's compliance with terms or conditions of this Franchise. Franchisee will not deny the City access to any of Franchisee's records on the basis that Franchisee's documents or records are under the control of any affiliate or a third party.
- B. All documents and records maintained by Franchisee shall be made available for inspection by the City at reasonable times and intervals; provided, however, that nothing in this section shall be construed to require Franchisee to violate state or federal law regarding subscriber privacy, nor shall this section be construed to require Franchisee to disclose proprietary or confidential information without adequate safeguards for its confidential or proprietary nature.
- C. One copy of documents and records requested by the City will be furnished to the City at the cost of Franchisee. If the requested documents and records are too voluminous or for security reasons cannot be copied or removed, then Franchisee may request, in writing within ten (10) days of the City's request, that the City inspect them at Franchisee's local office. If any documents or records of Franchisee are not kept in a local office and/or are not made available in copies to the City, and if the City determines that an examination of such documents or records is necessary or appropriate for the enforcement of this Franchise, or to verify Franchisee's compliance with terms or conditions of this Franchise, then all reasonable travel and related costs incurred in making such examination shall be paid by Franchisee.

Section 23. Assignment or Transfer. Franchisee's rights, privileges, and authority under this Franchise, and ownership or working control of facilities constructed or installed pursuant to this Franchise, may not, directly or indirectly, be transferred, assigned or disposed of by sale, lease, merger, consolidation or other act of Franchisee, by operation of law or otherwise, except as provided herein, or without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. Any transfer, assignment or disposal of Franchisee's rights, privileges, and authority under this Franchise, or ownership or working control of facilities

constructed or installed pursuant to this Franchise, may be subject to reasonable conditions as may be prescribed by the City.

- A. No rights, privileges, or authority under this Franchise shall be assigned, transferred, or disposed of in any manner within twelve (12) months after the effective date of this Franchise.
- B. Absent extraordinary and unforeseeable circumstances, no facility shall be assigned, transferred, or disposed of before construction of the facility has been completed and restoration has been performed to the satisfaction of the City.
- C. Franchisee and the proposed assignee or transferee shall provide and certify the following information to the City not less than one hundred and fifty (150) days prior to the proposed date of assignment, transfer, or disposal:
 - (1) Complete information setting forth the nature, terms and condition of the proposed assignment, transfer, or disposal;
 - (2) Any other information reasonably required by the City; and
 - (3) A transfer application fee in an amount to be determined by the City to recover actual administrative costs directly related to receiving and approving the proposed assignment, transfer, or disposal.
- D. No assignment, transfer, or disposal may be made or shall be approved unless the assignee or transferee has the legal, technical, financial, and other requisite qualifications to operate, maintain, repair, and remove facilities constructed or installed pursuant to this Franchise and to comply with the terms and conditions of this Franchise.
- E. Any transfer, assignment, or disposal of rights, privileges, and authority under this Franchise or ownership or working control of facilities constructed or installed pursuant to this Franchise, without prior written approval of the City pursuant to this section shall be void and is cause for termination of this Franchise.
- F. Any transactions which singularly or collectively result in a change of fifty percent (50%) or more of the ownership or working control of the Franchisee, of the ownership or working control of affiliated entities having ownership or working control of Franchisee, or of control of the telecommunications capacity or bandwidth of Franchisee, shall be considered an assignment or transfer requiring City approval. Transactions between affiliated entities are not exempt from City approval. Franchisee shall promptly notify the City prior to any proposed change in, or transfer of, or acquisition by any other party of control of Franchisee. Every change, transfer, or acquisition of control of Franchisee shall cause a review of the proposed transfer. City approval shall not be required for mortgaging purposes or if said transfer is from Franchisee to another person controlled by Franchisee.

- G. All terms and conditions of this Franchise shall be binding upon all successors and assigns of Franchisee and all persons who obtain ownership or working control of any facility constructed or installed pursuant to this Franchise.

Section 24. Violations, Noncompliance, and Other Grounds for Termination or Cancellation.

- A. This Franchise, and any right, privilege or authority of Franchisee to enter, occupy or use public ways may be terminated or cancelled by the City for the following reasons:
- (1) Violation of or noncompliance with any term or condition of this Franchise by Franchisee;
 - (2) Violation of or noncompliance with the material terms of any use and/or development authorization or required permit by Franchisee;
 - (3) Construction, installation, operation, maintenance, or repair of facilities on, in, under, over, across, or within any public way without Franchisee first obtaining use and/or development authorization and required permits from the City and all other appropriate regulatory authorities;
 - (4) Unauthorized construction, installation, operation, maintenance, or repair of facilities on City property;
 - (5) Misrepresentation or lack of candor by or on behalf of Franchisee in any application or written or oral statement upon which the City relies in making the decision to grant, review or amend any right, privilege or authority to Franchisee;
 - (6) Abandonment of facilities;
 - (7) Failure of Franchisee to pay taxes, fees, charges or costs when and as due; or
 - (8) Insolvency or bankruptcy of Franchisee.
- B. In the event that the City believes that grounds exist for termination or cancellation of this Franchise or any right, privilege or authority of Franchisee to enter, occupy or use public ways, Franchisee shall be given written notice, and providing Franchisee a reasonable period of time not exceeding thirty (30) days to furnish evidence:
- (1) That corrective action has been, or is being actively and expeditiously pursued, to remedy the violation, noncompliance, or other grounds for termination or cancellation;
 - (2) That rebuts the alleged violation, noncompliance, or other grounds for termination or cancellation; or
 - (3) That it would be in the public interest to impose some penalty or sanction less than termination or cancellation.
- C. In the event that Franchisee fails to provide evidence reasonably satisfactory to the City as provided in subsection (B) of this section, the City shall refer the apparent violation, noncompliance, or other grounds for termination or cancellation to the City Council. The City Council shall provide the Franchisee with notice and a reasonable opportunity to be heard concerning the matter.

D. If the City Council determines that the violation, noncompliance, or other grounds for termination or cancellation arose from willful misconduct or gross negligence by Franchisee, then, Franchisee shall, at the election of the City Council, forfeit all rights, privileges and authority conferred under this Franchise or any use and/or development authorization or permit granted by the City, and this Franchise and any such use and/or development authorization or permit may be terminated or cancelled by the City Council. The City Council may elect, in lieu of the above and without any prejudice to any of its other legal rights and remedies, to pursue other remedies, including obtaining an order compelling Franchisee into compliance or to take corrective action, or to recover damages and costs incurred by the City by reason of Franchisee's actions or omissions. The City Council shall utilize the following factors in analyzing the nature, circumstances, extent, and gravity of the actions or omissions of Franchisee:

- (1) Whether the misconduct was egregious;
- (2) Whether substantial harm resulted;
- (3) Whether the violation was intentional;
- (4) Whether there is a history of prior violations of the same or other requirements;
- (5) Whether there is a history of overall compliance; and
- (6) Whether the violation was voluntarily disclosed, admitted or cured.

E. The City Council's choice of remedy shall not excuse Franchisee from compliance with any term or condition of this Franchise or the material terms of any use and/or development authorization or required permit by Franchisee. Franchisee shall have a continuing duty to remedy any violation, noncompliance, or other grounds for termination or cancellation. Further, nothing herein shall be construed as limiting any remedies that the City may have, at law or in equity, for enforcement of this Franchise and any use and/or development authorization or permit granted to Franchisee.

Section 25. Notices.

A. Any regular notice or information required or permitted to be given to the parties under this Franchise may be sent to the following addresses unless otherwise specified:

The City:	City of Kennewick Attn: City Manager P.O. Box 6108 Kennewick, WA 99336 Phone: (509) 585-4238
-----------	--

Franchisee:	_____ _____ _____ _____ _____
-------------	---

- B. Franchisee shall additionally provide a phone number and designated responsible officials to respond to emergencies. After being notified of an emergency, Franchisee shall cooperate with the City and make best efforts to immediately respond to minimize damage, protect the health and safety of the public and repair facilities to restore them to proper working order. Annually, on request of the City, Franchisee will meet with City emergency response personnel to coordinate emergency management operations and, at least once a year, at the request of the City, actively participate in emergency preparations.

Section 26. Non-Waiver. The failure of the City to exercise any rights or remedies under this Franchise or to insist upon compliance with any terms or conditions of this Franchise shall not be a waiver of any such rights, remedies, terms or conditions of this Franchise by the City and shall not prevent the City from demanding compliance with such terms or conditions at any future time or pursuing its rights or remedies.

Section 27. Eminent Domain. This Franchise is subject to the power of eminent domain and the right of the City Council to repeal, amend or modify the Franchise in the interest of the public. In any proceeding under eminent domain, the Franchise itself shall have no value.

Section 28. Limitation of Liability. Administration of this Franchise may not be construed to create the basis for any liability on the part of the City, its elected officials, officers, employees, servant, agents, and representatives for any injury or damage from the failure of the Franchisee to comply with the provisions of this Franchise; by reason of any plan, schedule or specification review, inspection, notice and order, permission, or other approval or consent by the City; for any action or inaction thereof authorized or done in connection with the implementation or enforcement of this Franchise by the City; or for the accuracy of plans submitted to the City.

Section 29. Damage to Facilities. Unless directly and proximately caused by the active sole negligence of the City, the City shall not be liable for any damage to or loss of any facilities as a result of or in connection with any public works, public improvements, construction, excavation, grading, filling, or work of any kind on, in, under, over, across, or within a public way done by or on behalf of the City.

Section 30. Governing Law and Venue. This Franchise and use of the applicable public ways will be governed by the laws of the State of Washington, unless preempted by federal law. Franchisee agrees to be bound by the laws of the State of Washington, unless preempted by federal law, and subject to the jurisdiction of the courts of the State of Washington. Any action relating to this Franchise must be brought in the Superior Court of Washington for Benton County, or in the case of a federal action, the United States District Court for the Eastern District of Washington at Richland, Washington, unless an administrative agency has primary jurisdiction.

Section 31. Severability. If any section, sentence, clause or phrase of this Franchise or its application to any person or entity should be held to be invalid or unconstitutional by a court of

competent jurisdiction, such invalidity or unconstitutionality will not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Franchise nor its application to any other person or entity; provided that, if any term or condition of this Franchise relating to Franchisee's right, privilege, or authority to place optical cable, optical cable housing, and splicing connections on existing utility poles as overhead facilities is held to be invalid or unconstitutional by a court of competent jurisdiction, Franchisee's authority to construct, install, operate, maintain, or repair overhead facilities shall be deemed void *ab initio*, any overhead facilities shall be deemed to be unauthorized, and Franchisee shall be authorized only to place facilities underground.

Section 32. Miscellaneous.

- A. Equal Employment and Nondiscrimination. Throughout the term of this Franchise, Franchisee will fully comply with all equal employment and nondiscrimination provisions and requirements of federal, state, and local laws, and in particular, FCC rules and regulations relating thereto.
- B. Descriptive Headings. The headings and titles of the sections and subsections of this Franchise are for reference purposes only and do not affect the meaning or interpretation of the text herein.
- C. Costs and Attorneys' Fees. If any action or suit arises in connection with this Franchise, the substantially prevailing party will be entitled to recover all of its reasonable costs, including attorneys' fees, as well as costs and reasonable attorneys' fees on appeal, in addition to such other relief as the court may deem proper.
- D. No Joint Venture. Nothing herein will be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third persons or the public in any manner that would indicate any such relationship with the other.
- E. Mutual Negotiation. This Franchise was mutually negotiated by the Franchisee and the City and has been reviewed by the legal counsel for both parties. Neither party will be deemed to be the drafter of this Franchise.
- F. Third-Party Beneficiaries. There are no third-party beneficiaries to this Franchise.
- G. Entire Agreement. This Franchise represents the entire understanding and agreement between the parties with respect to the subject matter and supersedes all prior oral and written negotiations between the parties.
- H. Modification. The parties may alter, amend or modify the terms and conditions of this Franchise upon written agreement of both parties to such alteration, amendment or

modification. Nothing in this subsection shall impair the City's exercise of authority reserved to it under this Franchise.

- I. Non-exclusivity. This Franchise does not confer any exclusive right, privilege, or authority to enter, occupy or use public ways for delivery of telecommunications services or any other purposes. This Franchise is granted upon the express condition that it will not in any manner prevent the City from granting other or further franchises in, on, across, over, along, under or through any public way.
- J. Rights Granted. This Franchise does not convey any right, title or interest in public ways, but shall be deemed only as authorization to enter, occupy, or use public ways for the limited purposes and term stated in this Franchise. Further, this Franchise shall not be construed as any warranty of title.
- K. Contractors and Subcontractors. Franchisee's contractors and subcontractors must be licensed and bonded in accordance with the City's ordinances, rules, and regulations. Work by contractors and subcontractors is subject to the same restrictions, limitations and conditions as if the work were performed by Franchisee.

Section 33. Publication. The City Clerk is authorized and directed to publish a summary hereof in accordance with Revised Code of Washington §§ 35A.13.200 and 35A.12.160.

Section 34. Effective Date. This ordinance shall be in full force and effect five days from and after its passage, approval and publication as required by law. The District shall provide written acceptance prior to passage of this ordinance.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON, this ____ day of _____, 20__, and signed in authentication of its passage this ____ day of _____, 20__.

Attest:

DON BRITAIN, Mayor

TERRI WRIGHT, City Clerk

ORDINANCE NO. 0000 filed and recorded in the office of the City Clerk of the City of Kennewick, Washington this ____ day of _____, 20__.

Approved as to Form:

LISA BEATON, City Attorney

TERRI WRIGHT, City Clerk

DATE OF PUBLICATION _____



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

COMMISSION MEETING AGENDA ITEM

Subject:	Motion to Implement Long-Term Payment Arrangements and changes to Pay as You Go	
Agenda Item No:	6c	
Meeting Date:	June 23, 2020	
Presented by:	Jon Meyer	Staff Presenting Item
Approved by (dept):	Jon Meyer	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

Motion for Commission Consideration:

Motion to direct staff to implement a long-term payment arrangement program for customers and changes to Pay as You Go in accordance with the principles in Attachment 1.

Recommendation/Background

On March 24, 2020 the Commission ratified changes to the Customer Service Rates and Policies that were made in response to efforts established by the State of Washington to prevent the spread of COVID 19. The Commission recognized these efforts had caused significant disruption to the local economy and created financial hardships for customers who had already lost their jobs or had their work hours reduced. The changes to the Customer Service Rates and Policies were intended to give customers some certainty and relief and included discontinuance of the assessment of late fees, suspending disconnects for non-pay, and suspending Urgent Notices. The Commission action on March 24, 2020 was to allow the temporary changes to continue until the close of business April 30, 2020. The Commission took additional action over the next several Commission meetings to extend these changes. On June 9, 2020, the Commission extended these changes through July 28, 2020 for most customer classes which aligns with the date in the Governor’s Proclamation 20-23.4 suspending disconnects for non-payment and late fees for residential customers.

As a result of State efforts to stop the spread of COVID-19, many businesses were required to close or substantially reduce production leading to loss of jobs. Coupled with the suspension of disconnects since March 24, 2020, total customer past due amounts and customers who would have normally been eligible for disconnect are ranging between two or three times what they normally are. It is recognized that a large number of these customers will not be able to make a payment in full to avoid disconnect once disconnects resume. In order to provide continuity of service to these customers, staff is recommending implementing longer-term payment arrangements and changes to Pay as You Go as that

customers can elect to maintain connection to service and allowing them to pay past due balances over time. The long-term payment arrangement and changes to Pay as You Go will be based on the principles contained in Attachment 1. These actions can be accommodated with the District's current software system but will also require additional staff time for monitoring customer accounts and re-establishing long-term payment agreements.

Summary

Implementing long-term payment arrangements and changes to Pay as You Go provide an option to customers with past due amounts to maintain continuous service while paying past due amounts over a period of time.

Fiscal Impact

Suspension of Urgent Notices and Disconnects resulted in a delay in the collection of accounts receivable and will likely result in an increase in write-offs. Implementation of a long-term payment arrangement and changes to Pay as You Go will provide for customers with the ability to maintain continuous service while paying past due amounts over a period of time.

Attachment 1: Principles for Long-Term Payment Arrangements & Pay as You Go Changes

Long Term Payment Arrangements (LTPA)

1. Long-term payment arrangements applicable to the following rate schedules:
 - a. Schedules 11-12 Residential
 - b. Schedules 21 – 24 General Service
 - c. Schedule 61 - Security Lighting
 - d. Schedule 71 – Small Irrigation
2. Arrears balances may be moved to LTPA for a maximum initial period of 12 months
3. The limit on the amount allowed in a LTPA for a single entity to avoid disconnect is \$25,000, amounts above this amount will be brought to the Commission for LTPA consideration.
4. No late fee assessed on arrears balances included in a LTPA
5. LTPA will be added on regular customer bills and will be due on standard terms (20 days)
6. Customers that have not made LTPA payment on time will be notified of upcoming disconnect with options to pay or contact the District to see if other arrangements can be made
7. As long as a customer makes full payment on LTPA prior to date of disconnect, LTPA considered honored and will be re-established to continue
8. A customer that can't make payment or makes a partial payment on LTPA prior to date of disconnect may request the LTPA to be re-established 3 times (one month at a time), and each time up to an additional month will be added to the LTPA period and power will not be disconnected
9. A customer that doesn't make payment or contact the District will be disconnected
 - a. When customer contacts the District, they can request the LTPA to be re-established 3 times (one month at a time), and each time up to an additional month will be added to the LTPA period and power will be reconnected
10. LTPA may be adjusted to include 2 current bills, but not back to back months, issued after the moratorium on disconnect expires if the customer contacts us and is unable to pay the current bill through December 31, 2020 and the LTPA installment amount will be adjusted accordingly.
11. Entering into LTPA will be offered until December 31, 2020. Based on this timeline, arrangements could be in effect through December 31, 2021

Pay As You Go Program

1. Maintain all program parameters with the exception of the following:
2. (For reference, arrears balances are moved into what's called a Prepaid Arrangement)
3. No limit on the amount allowed in a Prepaid Arrangement
 - a. Maintain 25%/75% ratio for payments when a Prepaid Arrangement exists
 - i. (25% to Prepaid Arrangement, 75% to fund Prepaid Balance)
 - ii. (not all Pay As You Go customers require a Prepaid Arrangement)
 - b. The 25/75% ratio should allow Prepaid Arrangement to be paid off on average in about 12 months but practically 1-18 months based on the amount of the arrearage
4. Small General Service customers eligible to enroll in Pay As You Go (remote disconnect/reconnect meter required)
5. Simplify the enrollment process to allow customers to enroll without physically coming into the office
6. Allow existing Pay As You Go customers that have accumulated arrears to move arrears balances to a Prepaid Arrangement

Communications

1. The District will begin notifying customers with past due balances as soon as the moratorium on disconnects expires with direct communications via mail or email (depending on customer preferences established in Smarthub)
2. The District will also post this information prominently on its website along with any other assistance that may be available



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

COMMISSION MEETING AGENDA ITEM

Subject:	Authorizing General Manager to proceed with developing plans to issue \$20 million in bonds in 2020	
Agenda Item No:	6d	
Meeting Date:	June 23, 2020	
Presented by:	Jon Meyer	<i>Staff Presenting Item</i>
Approved by (dept):	Jon Meyer	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

Motion for Commission Consideration

Motion directing the General Manager, on behalf of the District to develop plans to issue \$20 million in bonds in 2020, and review other refinancing opportunities of existing bonds. The actual bond issue will require subsequent Board approval.

Background

Staff recommends issuing bonds to accomplish the following objectives:

- Maintain the Strategic Capital Program to develop a 21st Century Power Grid
- Maintain adequate financial metrics and credit rating
- Be well positioned for anticipated continued power market volatility as the region struggles with replacing capacity from closure of coal plants
- Remove the need for a near-term rate increase during a time of economic downturn

Additional Background

The District developed a strategic capital plan to develop a 21st Century Power Grid which included the following:

- Building and upgrading transmission lines to improve reliability and safety
- Building and upgrading substations to modernize protection and controls, replace aged infrastructure and to provide electrical capacity to meet steady customer growth and economic development activities
- Distribution improvements to increase operational visibility through automation, replace aged infrastructure and ensure adequate capacity for customer growth and contingency operations

The 2017 – 2023 net capital plan is \$102.7 million which includes \$81.5 million for Distribution projects and \$8.9 million for Transmission projects.

The primary purpose of issuing bonds is the fair apportionment of costs to ratepayers. These projects are for long-lived assets that benefit current and future ratepayers. The debt service on the bonds is matched more closely to the periods in which the benefits are recognized.

The District is in good financial position to issue bonds including:

- District has low debt ratio: 26% for 2019
 - Financial Policy allows for maximum of 38%
 - A \$20 million bond issue brings the debt ratio to 31%, still well below the policy maximum
- District has good bond credit ratings – The highest in its history
 - Allows for good access to capital markets
- Interest rates are at historic lows

Issuing bonds would reduce customer impact by removing the need for a near-term rate increase while maintaining the Strategic Capital Plan and good financial metrics.

Summary

Based on the information above, District staff is recommending the Commission authorize the General Manager to direct staff to develop plans to issue \$20 million in bonds in 2020.

Fiscal Impact

Issuing bonds will help spread the costs of core infrastructure over time to better align the costs with the benefits resulting in ratepayer equity. Issuing bonds removes the need for a near-term rate increase during a time of economic downturn while maintaining the Strategic Capital Plan and financial metrics.



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

COMMISSION MEETING AGENDA ITEM

Subject:	Resolution No. 2547 Providing for the Reimbursement of Certain Expenditures Out of the Issuance and Sale of Reimbursement Bonds	
Agenda Item No:	6e	
Meeting Date:	June 23, 2020	
Presented by:	Jon Meyer	<i>Staff Presenting Item</i>
Approved by (dept):	Jon Meyer	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn	<i>General Manager/Asst GM</i>

Motion for Commission Consideration:

Motion to adopt Resolution No. 2547 providing for the reimbursement of certain expenditures out of the issuance and sale of reimbursement bonds.

Recommendation/Background

This resolution provides the District flexibility if bonds are issued but does not give approval to issue bonds nor does it obligate the District to issue bonds.

In the event that the District would determine to issue bonds during the next 18 months, it would be advantageous to be able to reimburse eligible capital expenditures.

This resolution would allow capital expenditures incurred 60 days prior to the date of this resolution to be reimbursed by the proceeds of any new money revenue bonds per IRS regulations.

Summary

Should the District issue revenue bonds, this resolution would provide that bond proceeds could be used to reimburse eligible capital expenditures that were paid for prior to the issuance of the bonds.

Fiscal Impact

Allows earlier eligible capital expenditures to be reimbursed by future bond proceeds.

RESOLUTION NO. 2547

June 23, 2020

**A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
PROVIDING FOR THE REIMBURSEMENT OF CERTAIN EXPENDITURES
OUT OF THE ISSUANCE AND SALE OF REIMBURSEMENT BONDS**

WHEREAS, Public Utility District No. 1 of Benton County (the "District"), a municipal corporation of the State of Washington, reasonably expects to reimburse the expenditures described herein with a portion of the proceeds of tax-exempt debt to be incurred by the District (the "Reimbursement Bonds");

WHEREAS, the expenditures with respect to which the District expects to be reimbursed from the proceeds of Reimbursement Bonds are for improvements to the District's electric utility system pursuant to the District's Five-Year Capital Plan, beginning in CY2020, and costs related thereto;

WHEREAS, the maximum principal amount of Reimbursement Bonds expected to be issued for the projects described in the paragraph above is \$20 million;

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the District may issue Reimbursement Bonds to reimburse the Revenue Fund for expenditures for improvements to the District's electric utility system made prior to the issue date of the Reimbursement Bonds, all consistent with applicable laws which is currently 60 days prior to adoption of this resolution.

This Resolution shall be in effect from and after its adoption in accordance with the law.

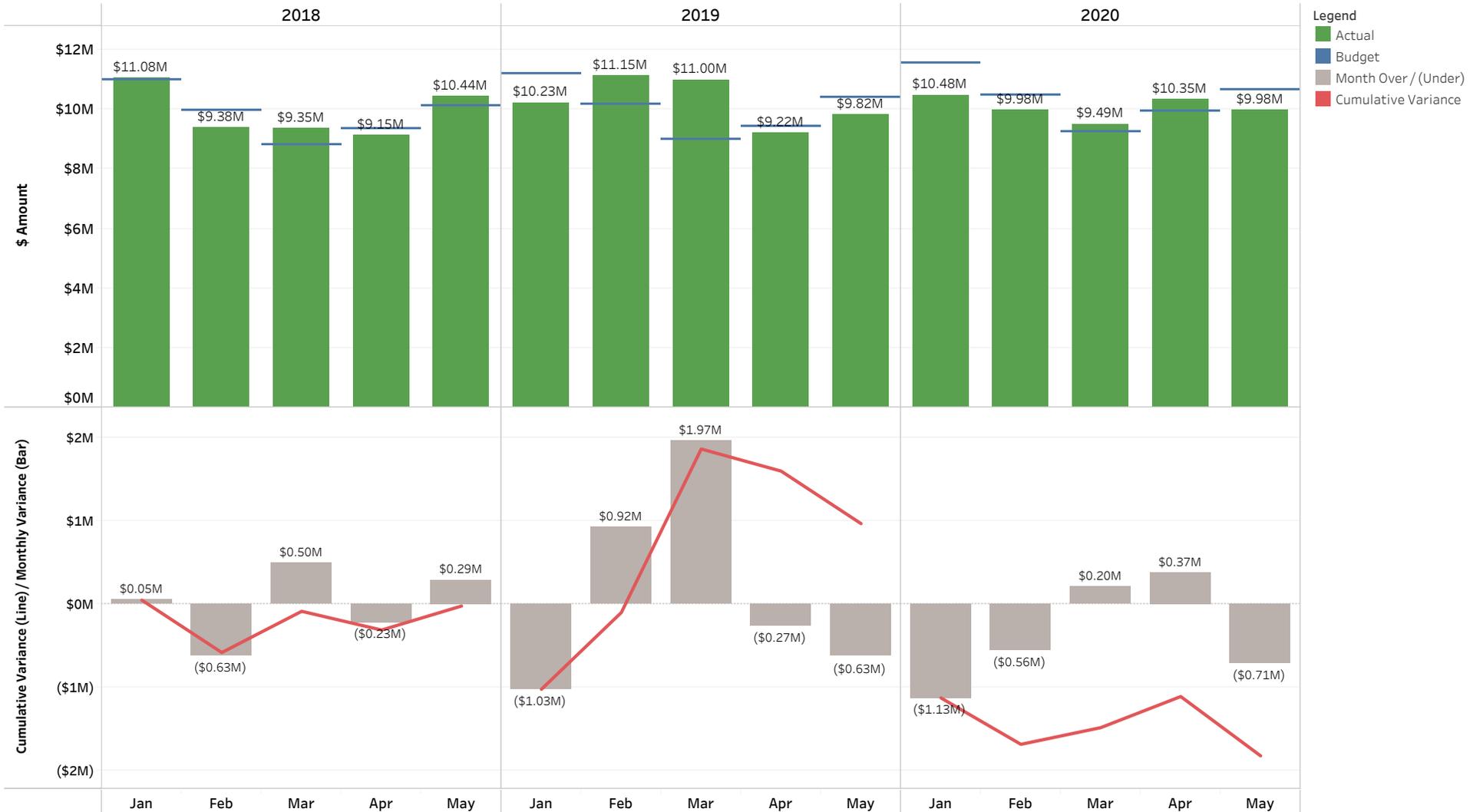
ADOPTED By the Commission of Public Utility District No. 1 of Benton County at an open meeting, with notice of such meeting being given as required by law, this 23rd day of June, 2020.

Jeffrey D. Hall, President

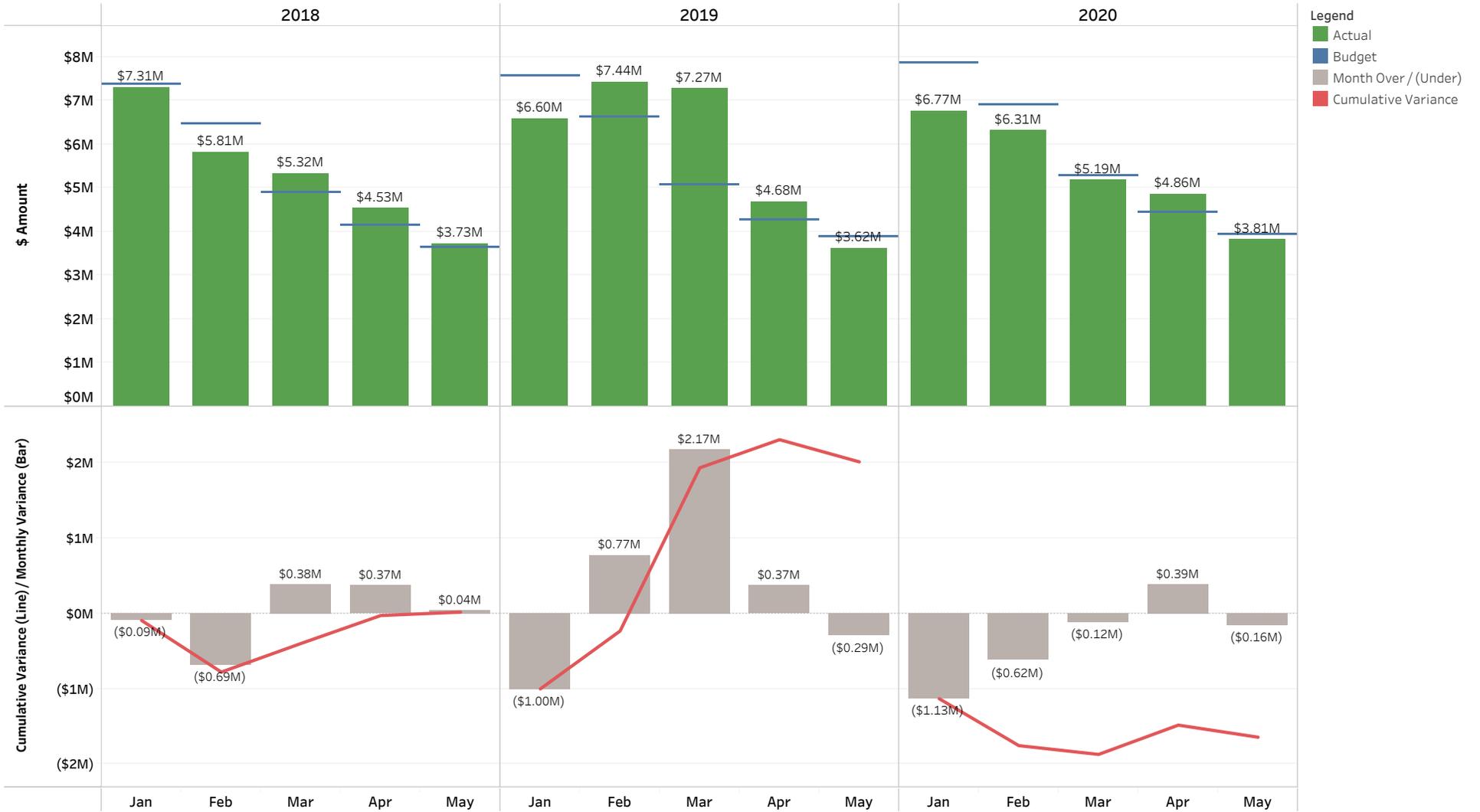
ATTEST:

Barry A. Bush, Secretary

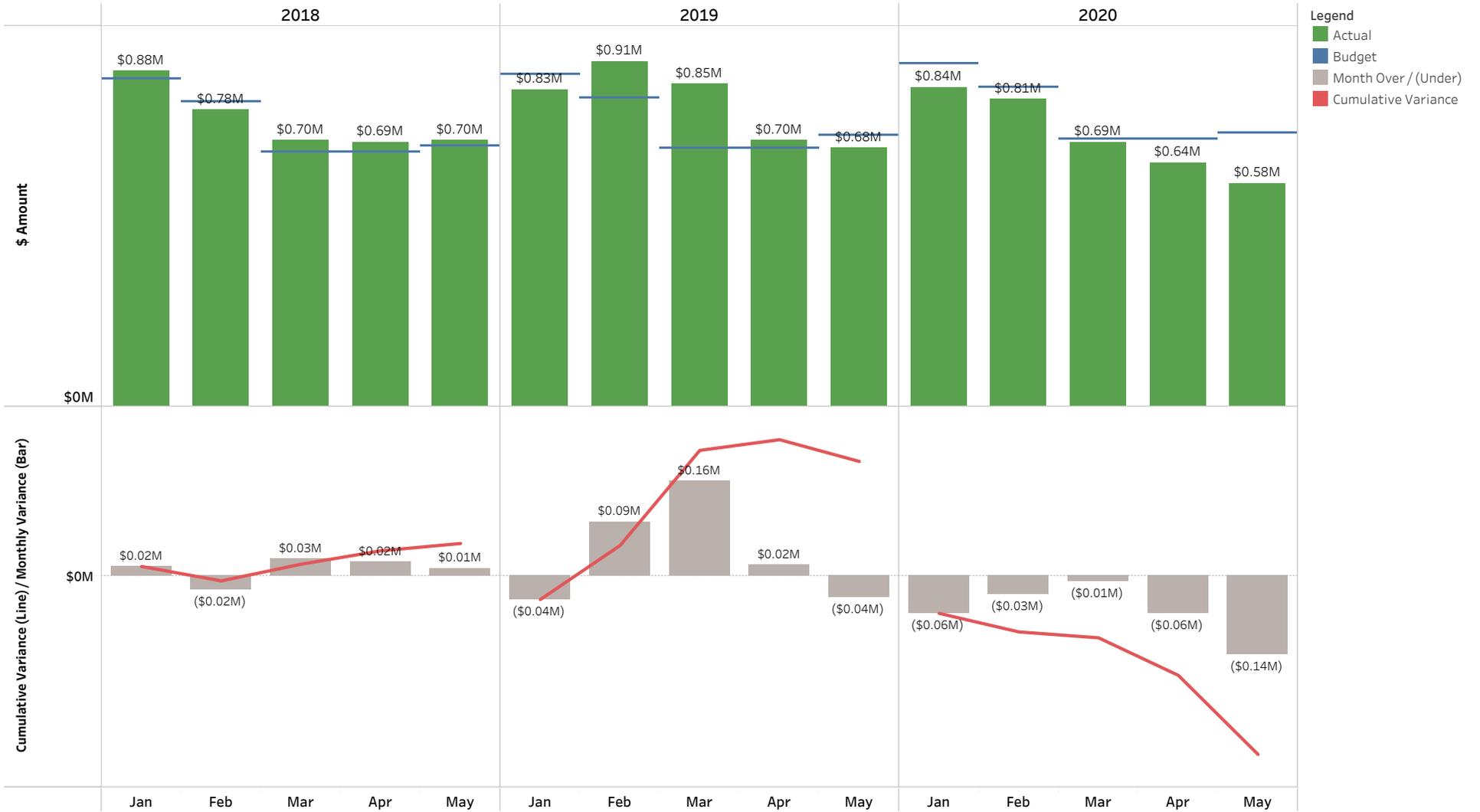
Cumulative Retail Revenue Budget vs Actuals: All



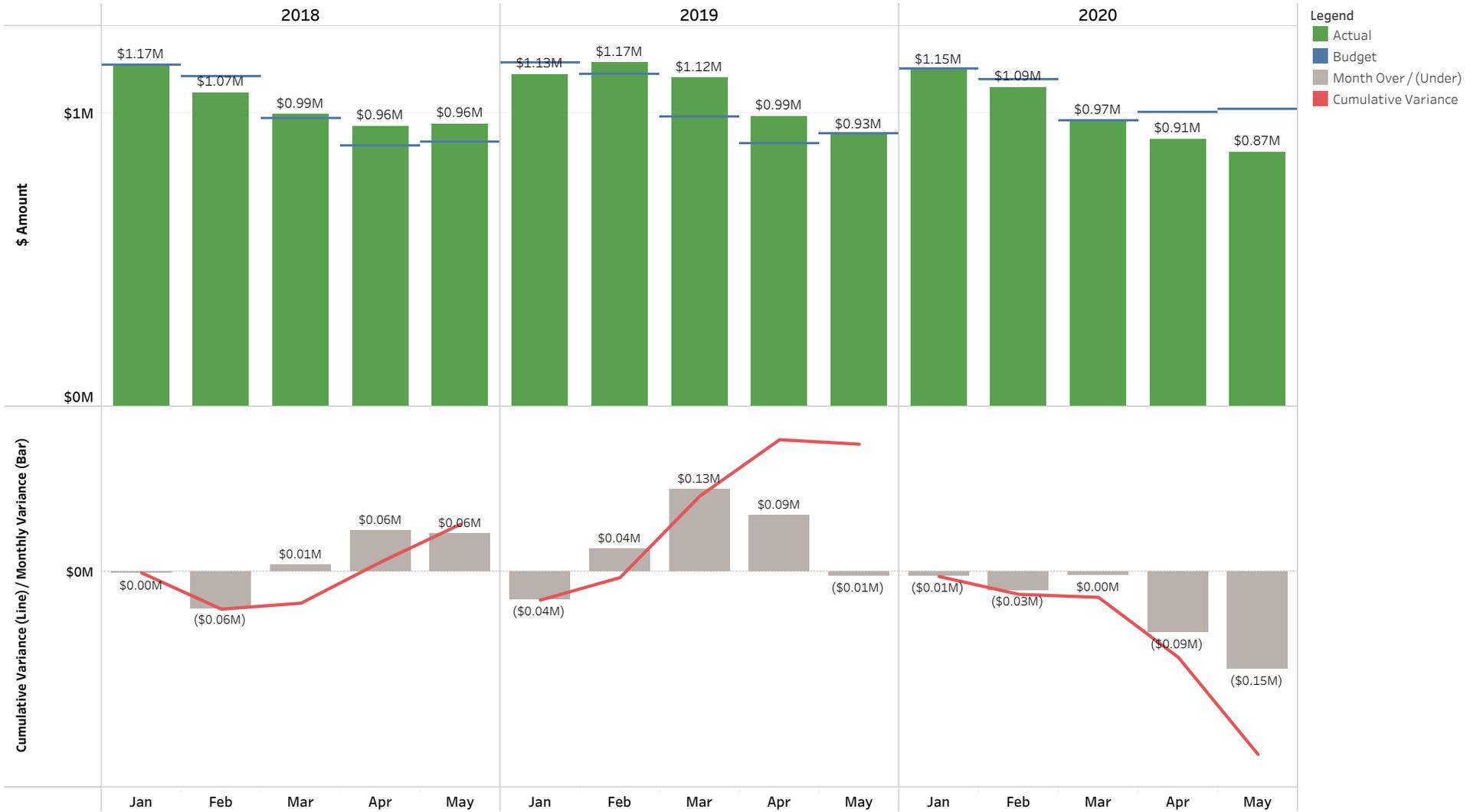
Cumulative Retail Revenue Budget vs Actuals: Residential Sales



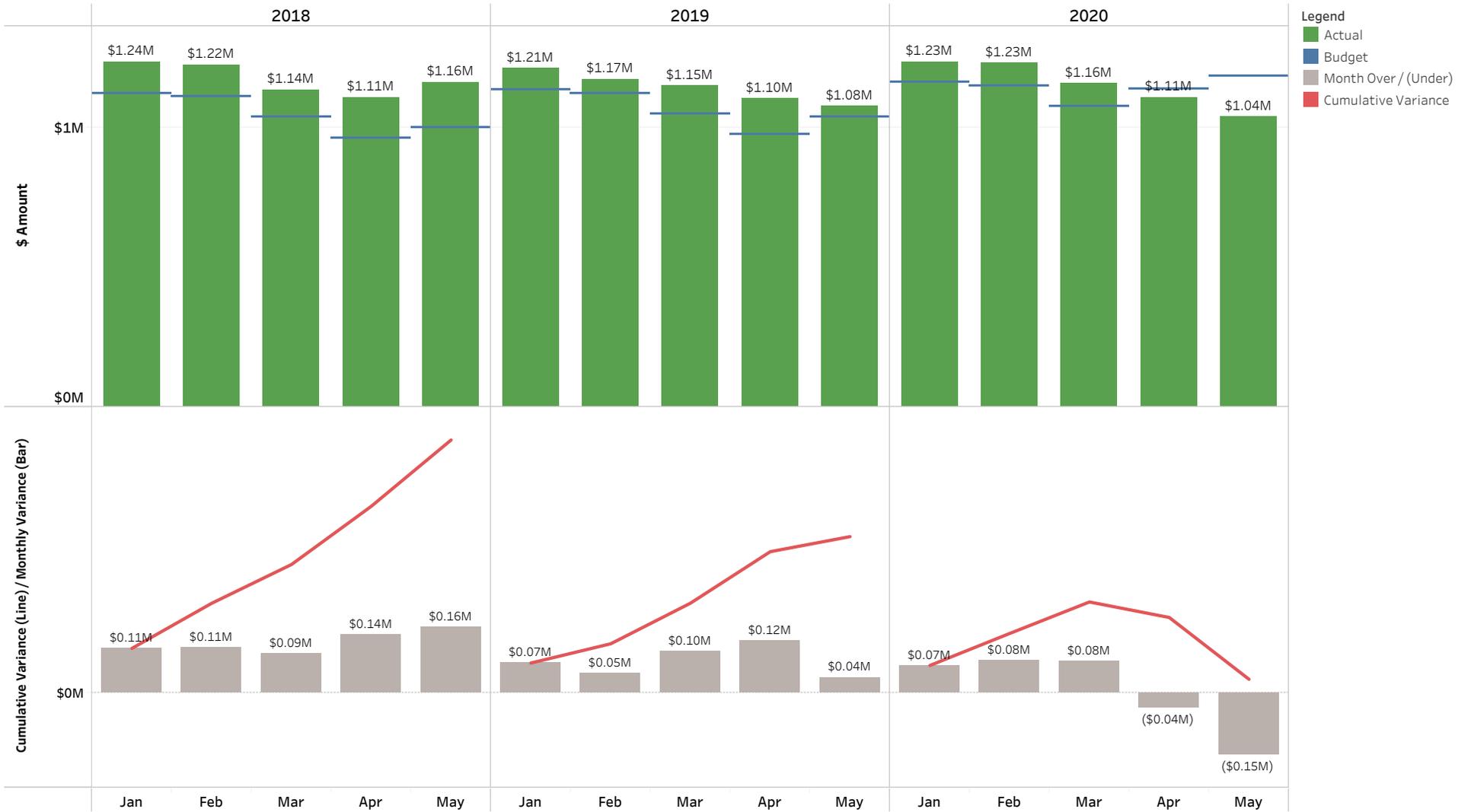
Cumulative Retail Revenue Budget vs Actuals: Small General Service Sales



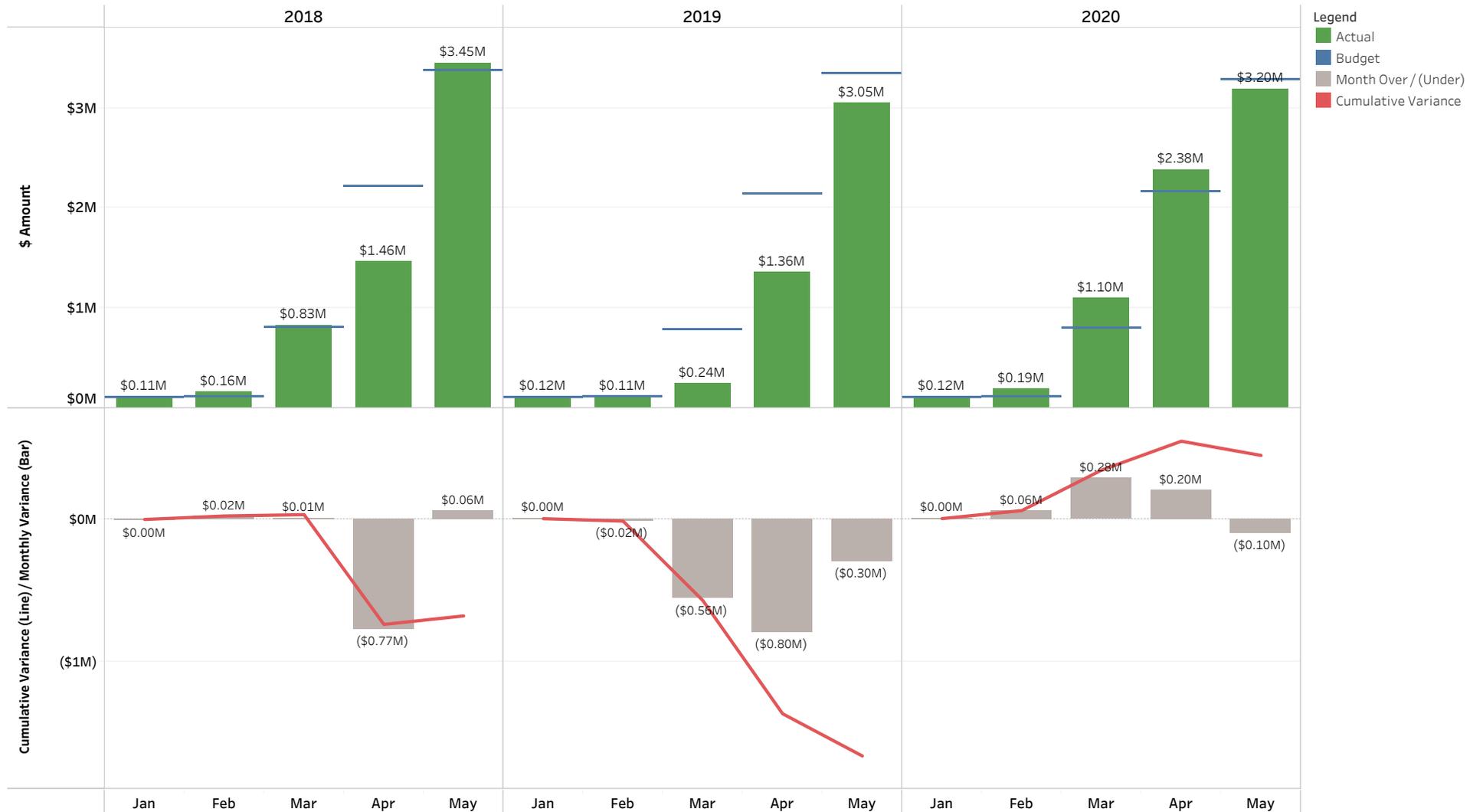
Cumulative Retail Revenue Budget vs Actuals: Medium General Service Sales



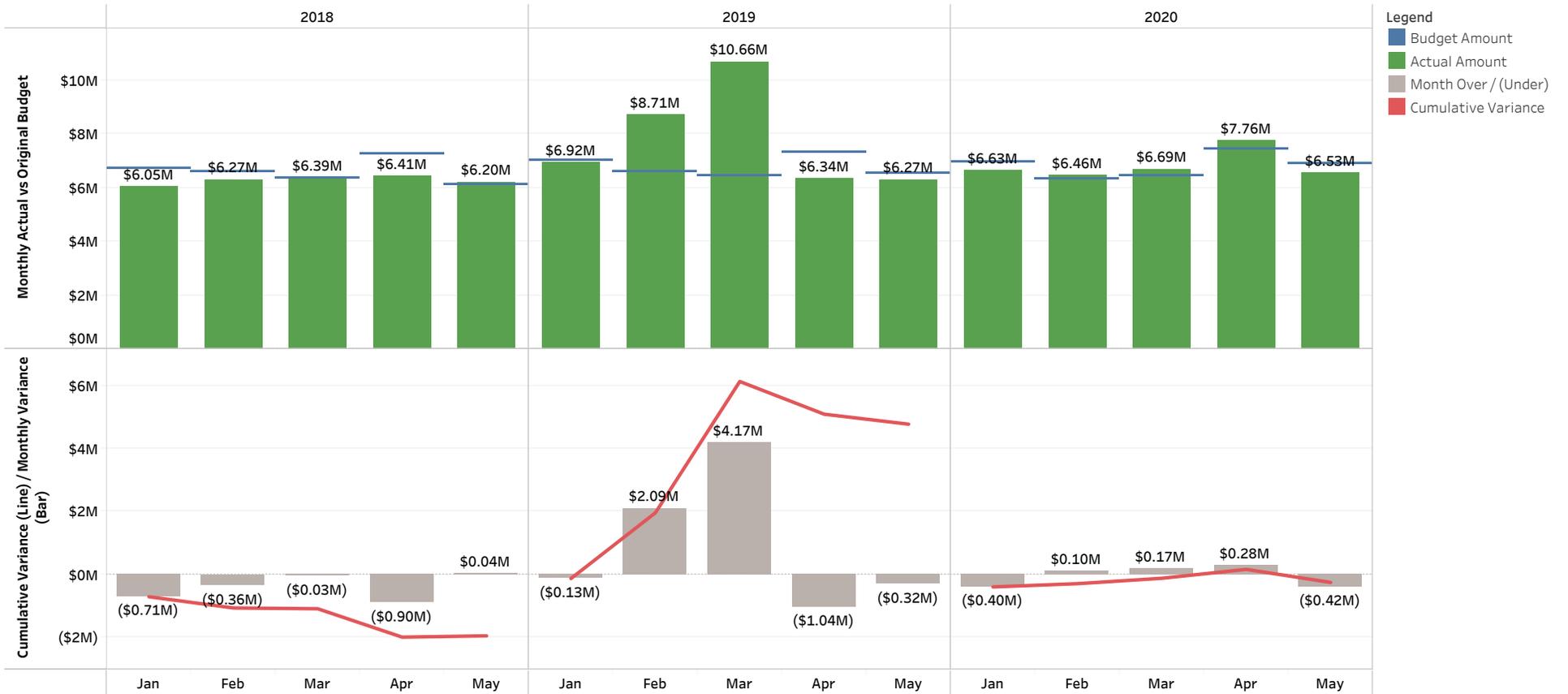
Cumulative Retail Revenue Budget vs Actuals: Large General Service Sales



Cumulative Retail Revenue Budget vs Actuals: Large Irrigation Sales



Net Power Cost Monthly and Cumulative Actual vs Original Budget:



Revenue Class Cumulative Energy

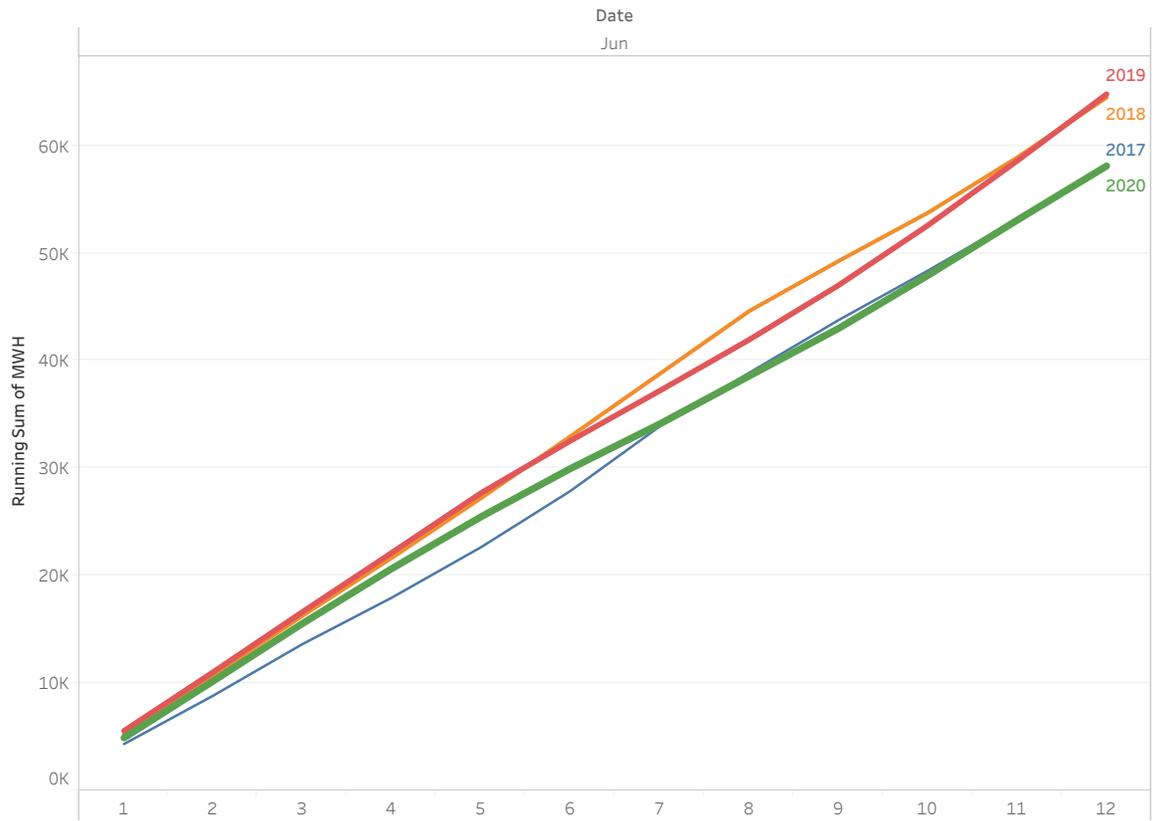
By Year for Revenue Class: **All** in Month: **June**

Select filters: Year of Date All Month of Date June Month-Day Multiple values

Billed Revenue Class

- In
- Out

Revenue Class
All



AMI data updated through:
Friday, June 12, 2020

Year Over Year Summary:
(hover to highlight year)

Year of Date	MWH	MWH Difference	% Difference
2017	58,196		
2018	64,464	6,269	10.77%
2019	64,776	312	0.48%
2020	58,097	-6,680	-10.31%

Note:
Totals do not include non-AMI meter readings.

Revenue Class Cumulative Energy

By Year for Revenue Class: **Residential** in Month: **June**

Select filters: Year of Date All Month of Date June Month-Day Multiple values

Billed Revenue Class

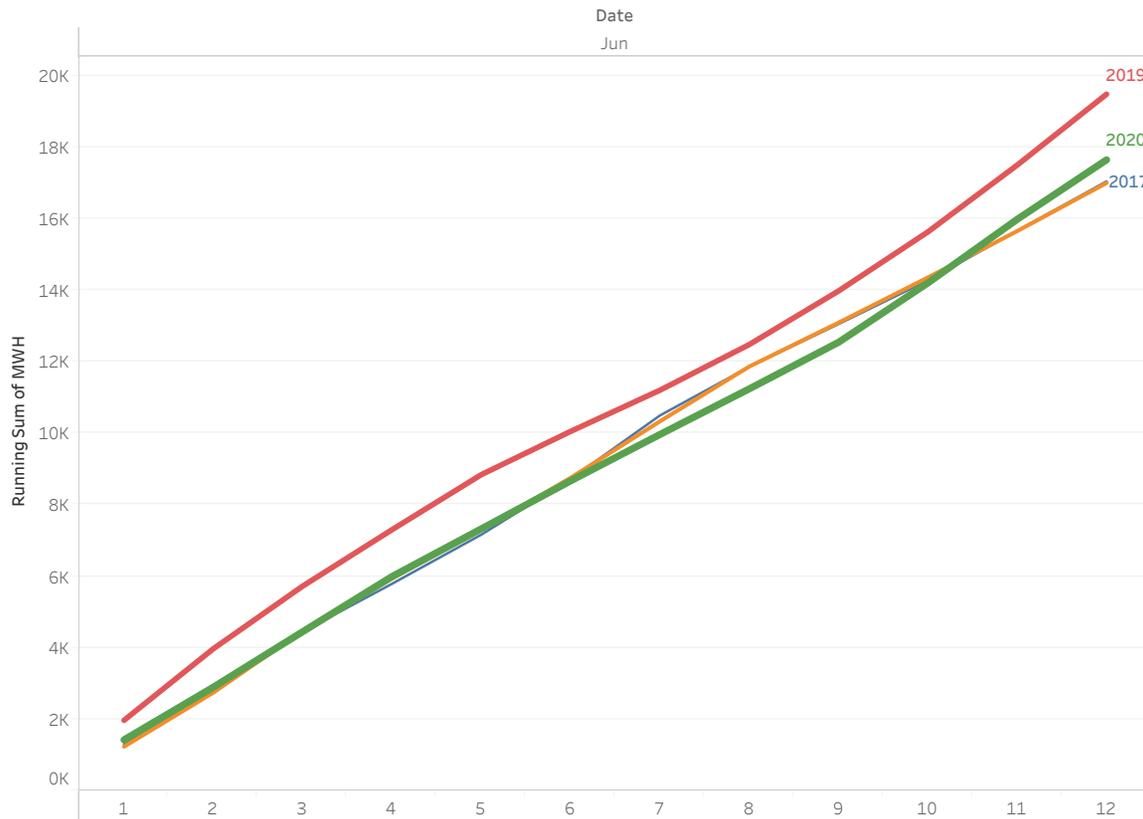
- In
- Out

Revenue Class

- Residential
- Small General
- Medium General
- Large General
- Large Industrial
- Large Irrigation
- Small Irrigation

AMI data updated through:

Friday, June 12, 2020



Year Over Year Summary:
(hover to highlight year)

Year of Date	MWH	MWH Difference	% Difference
2017	17,047		
2018	17,003	-44	-0.26%
2019	19,486	2,483	14.60%
2020	17,650	-1,836	-9.42%

Note:
Totals do not include non-AMI meter readings.

Revenue Class Cumulative Energy

By Year for Revenue Class: **Small General** in Month: **June**

Select filters: Year of Date All Month of Date June Month-Day Multiple values

Billed Revenue Class

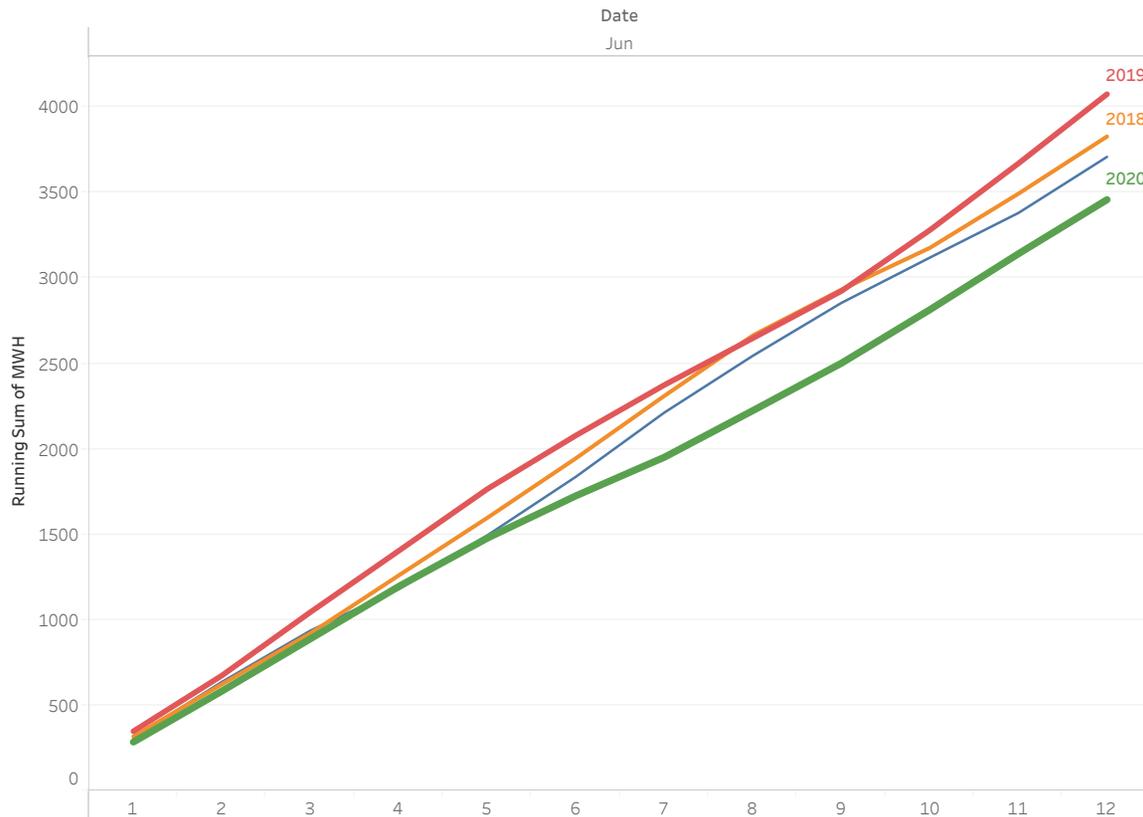
- In
- Out

Revenue Class

- Residential
- Small General
- Medium General
- Large General
- Large Industrial
- Large Irrigation
- Small Irrigation

AMI data updated through:

Friday, June 12, 2020



Year Over Year Summary:
(hover to highlight year)

Year of Date	MWH	MWH Difference	% Difference
2017	3,710		
2018	3,829	119	3.21%
2019	4,077	248	6.47%
2020	3,459	-617	-15.15%

Note:
Totals do not include non-AMI meter readings.

No AMI readings for the Nine Canyon Wind Project load.

Revenue Class Cumulative Energy

By Year for Revenue Class: **Medium General** in Month: **June**

Select filters: Year of Date All Month of Date June Month-Day Multiple values

Billed Revenue Class

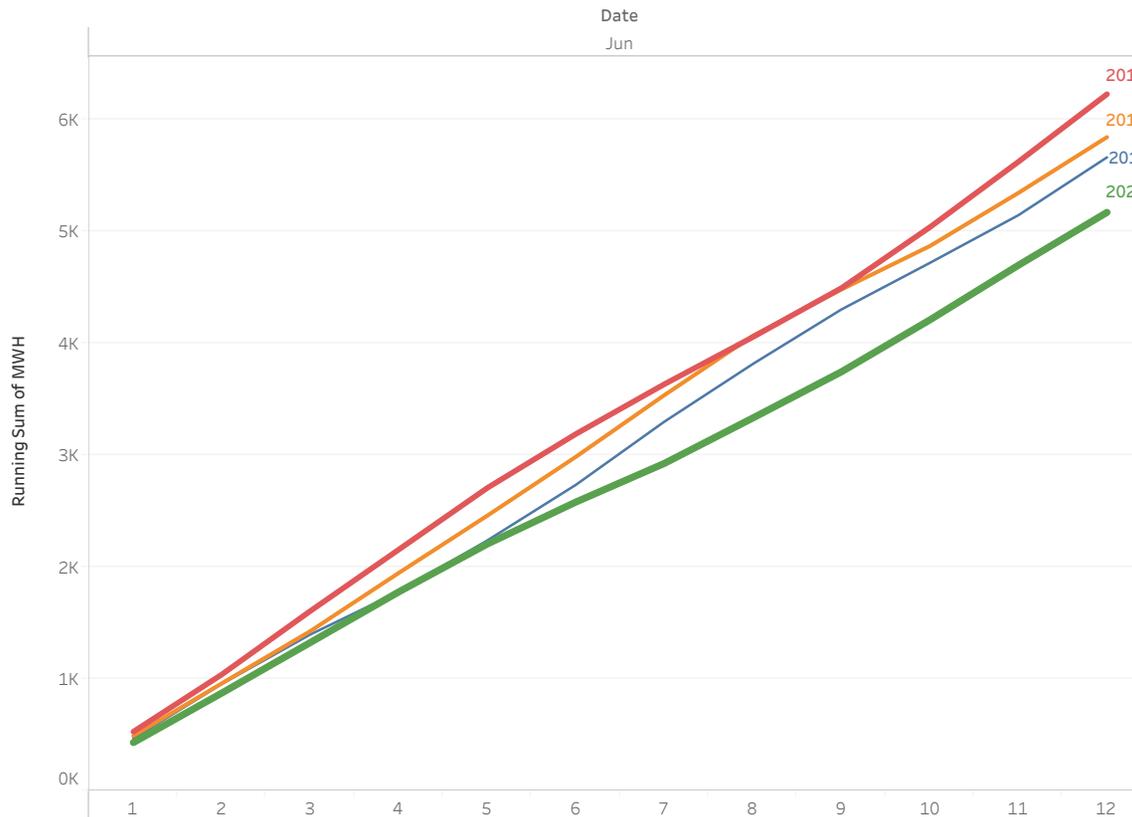
- In
- Out

Revenue Class

- Residential
- Small General
- Medium General
- Large General
- Large Industrial
- Large Irrigation
- Small Irrigation

AMI data updated through:

Friday, June 12, 2020



Year Over Year Summary:
(hover to highlight year)

Year of Date	MWH	MWH Difference	% Difference
2017	5,666		
2018	5,847	181	3.19%
2019	6,231	384	6.57%
2020	5,174	-1,057	-16.97%

Note:
Totals do not include non-AMI meter readings.

Revenue Class Cumulative Energy

By Year for Revenue Class: **Large General** in Month: **June**

Select filters: Year of Date All Month of Date June Month-Day Multiple values

Billed Revenue Class

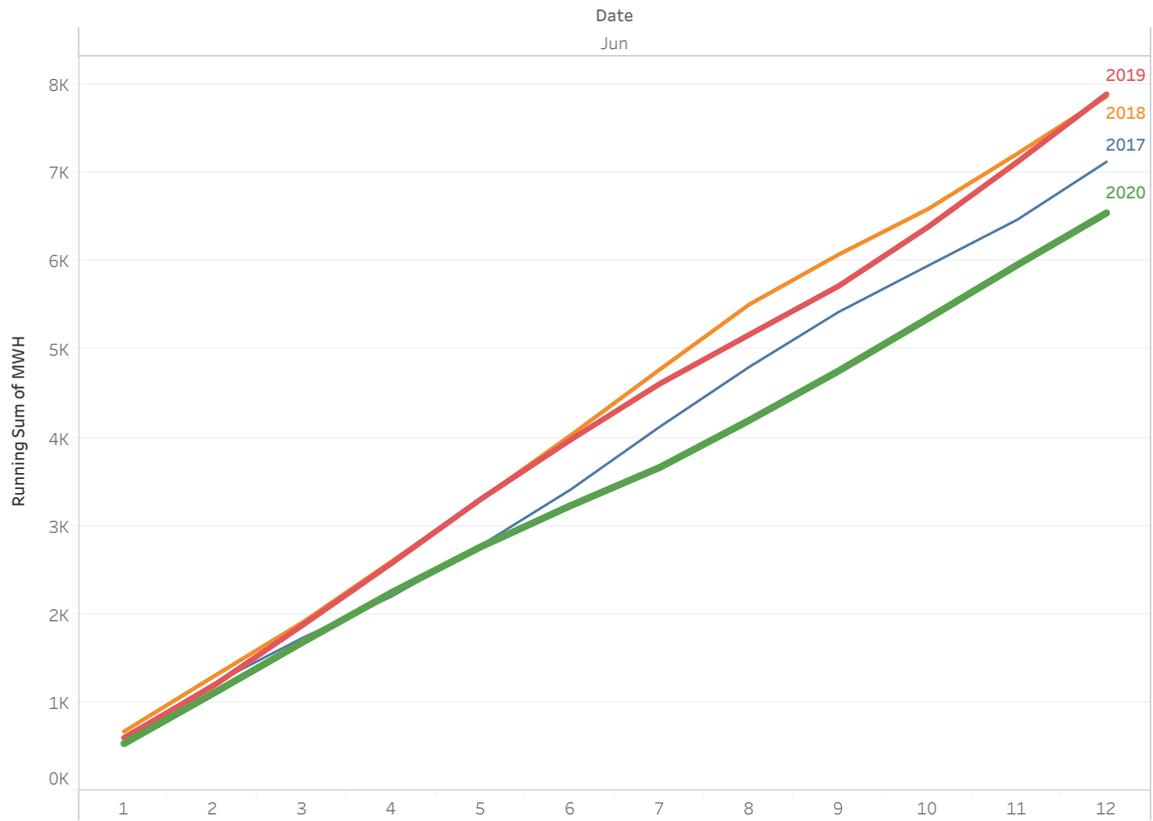
- In
- Out

Revenue Class

- Residential
- Small General
- Medium General
- Large General
- Large Industrial
- Large Irrigation
- Small Irrigation

AMI data updated through:

Friday, June 12, 2020



Year Over Year Summary:
(hover to highlight year)

Year of Date	MWH	MWH Difference	% Difference
2017	7,128		
2018	7,869	741	10.40%
2019	7,894	25	0.32%
2020	6,548	-1,346	-17.05%

Note:
Totals do not include non-AMI meter readings.

Revenue Class Cumulative Energy

By Year for Revenue Class: **Large Irrigation** in Month: **June**

Select filters: Year of Date All Month of Date June Month-Day Multiple values

Billed Revenue Class

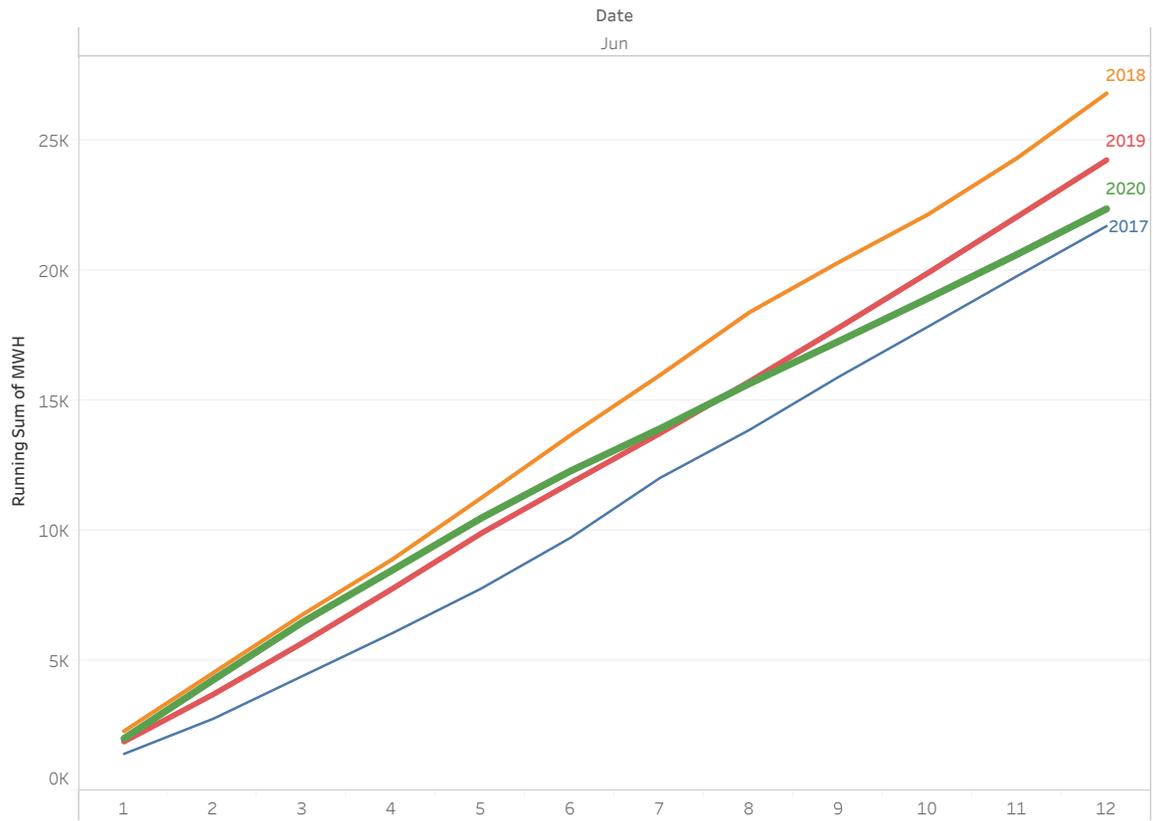
- In
- Out

Revenue Class

- Residential
- Small General
- Medium General
- Large General
- Large Industrial
- Large Irrigation
- Small Irrigation

AMI data updated through:

Friday, June 12, 2020



Year Over Year Summary:
(hover to highlight year)

Year of Date	MWH	MWH Difference	% Difference
2017	21,713		
2018	26,811	5,098	23.48%
2019	24,248	-2,563	-9.56%
2020	22,373	-1,875	-7.73%

Note:
Totals do not include non-AMI meter readings.

No AMI readings for the pump decks at Spaw, Paterson #1 & #2 and Prior #1 Bay 1 & 2.

Past Due AR in Dollars for Selected Revenue Classes:

All
 Balance Aging: **30 Days** | **60 Days** | **90+ Days**

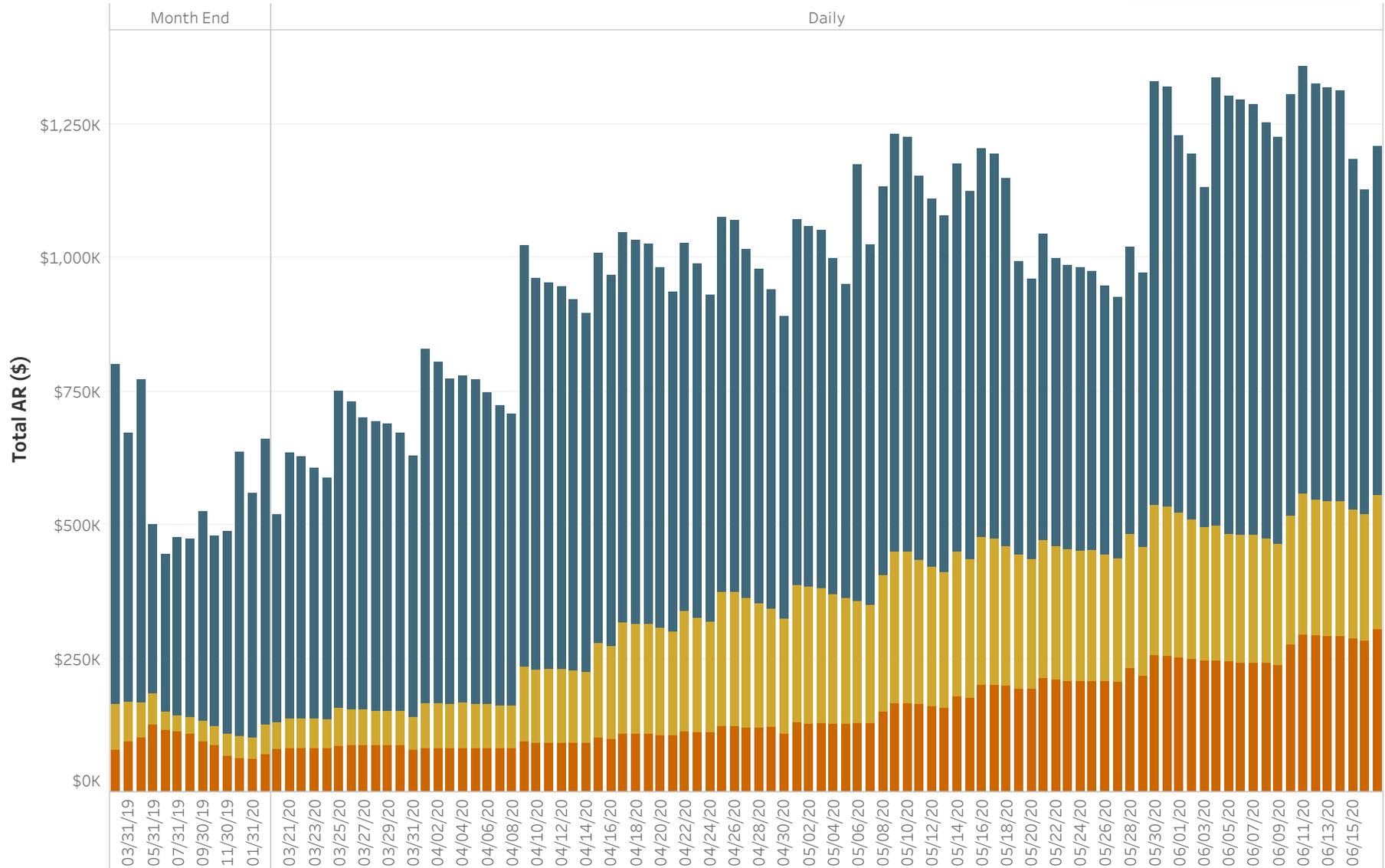
Consumer Class Selection:

Regular

Revenue Class Selection:

All

	Accounts	Dollars
30 Days	2,376	\$651,799
60 Days	985	\$252,566
90+ Days	1,633	\$303,359
Past Due	4,994	\$1,207,724
Total AR	49,328	\$7,468,086



AR data as of 6/17/20. Data source is CIS via the AR Balance History SQL report.

Past Due AR in Dollars for Selected Revenue Classes:

Residential

Balance Aging: **30 Days** | **60 Days** | **90+ Days**

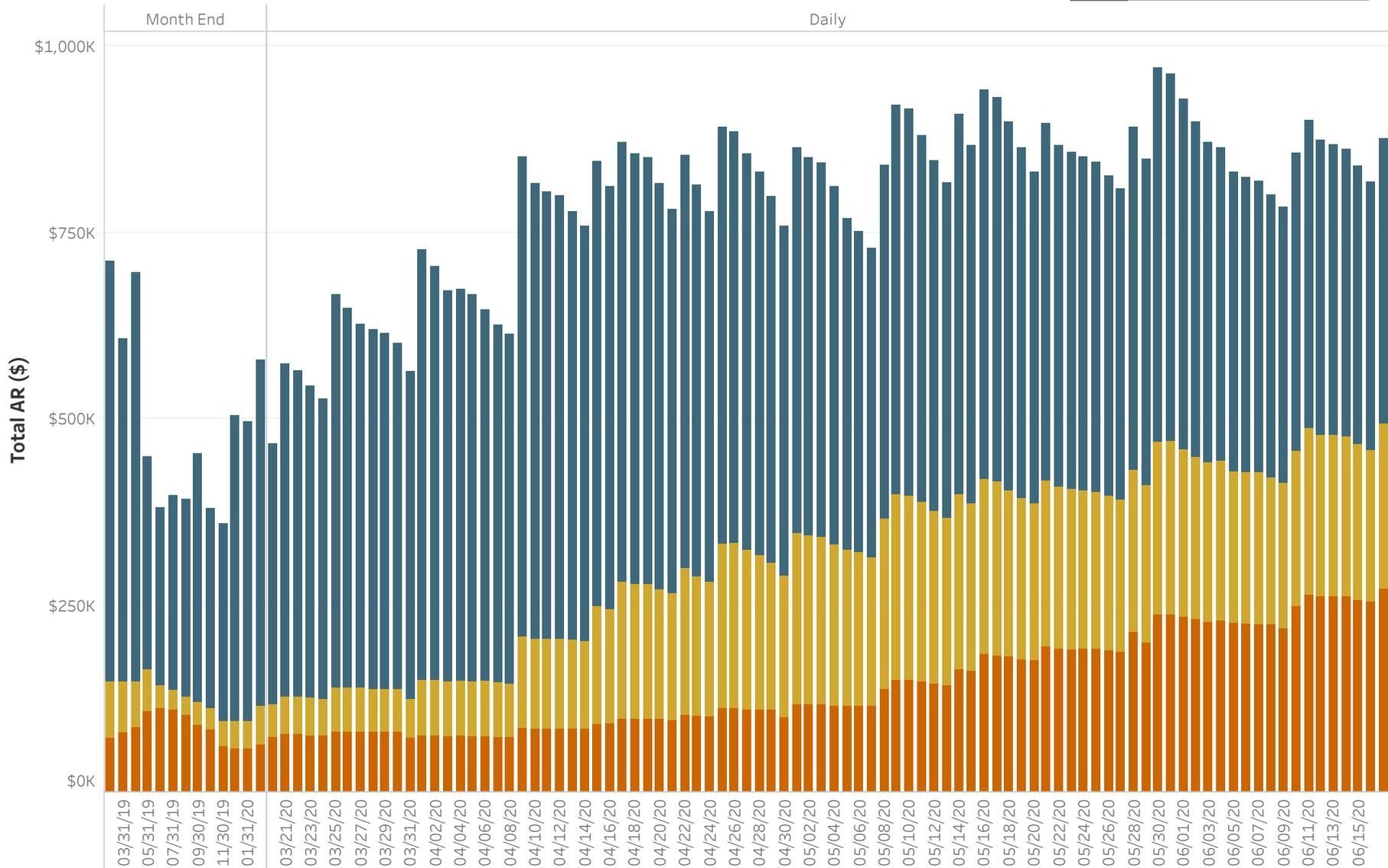
Consumer Class Selection:

Regular

Revenue Class Selection:

Residential

	Accounts	Dollars
30 Days	2,133	\$381,970
60 Days	878	\$220,077
90+ Days	1,510	\$272,878
Past Due	4,521	\$874,924
Total AR	40,780	\$2,602,162



AR data as of 6/17/20. Data source is CIS via the AR Balance History SQL report.

Past Due AR in Dollars for Selected Revenue Classes:

Small General Service

Balance Aging: **30 Days** | **60 Days** | **90+ Days**

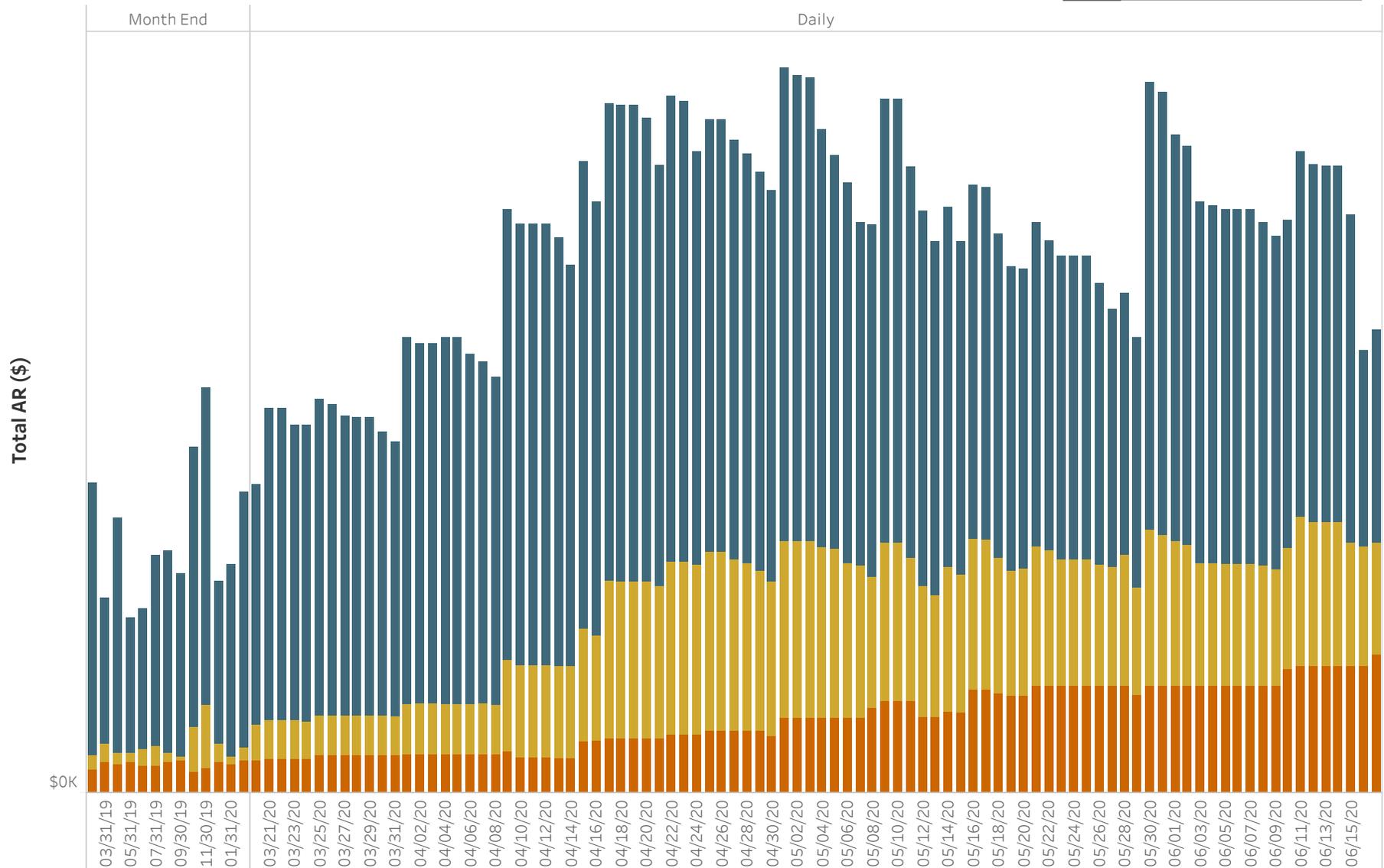
Consumer Class Selection:

Regular

Revenue Class Selection:

Small General Service

	Accounts	Dollars
30 Days	137	\$26,952
60 Days	60	\$14,180
90+ Days	62	\$17,414
Past Due	259	\$58,547
Total AR	4,942	\$418,484



AR data as of 6/17/20. Data source is CIS via the AR Balance History SQL report.

Past Due AR in Dollars for Selected Revenue Classes:

Medium General Service

Balance Aging: **30 Days** | **60 Days** | **90+ Days**

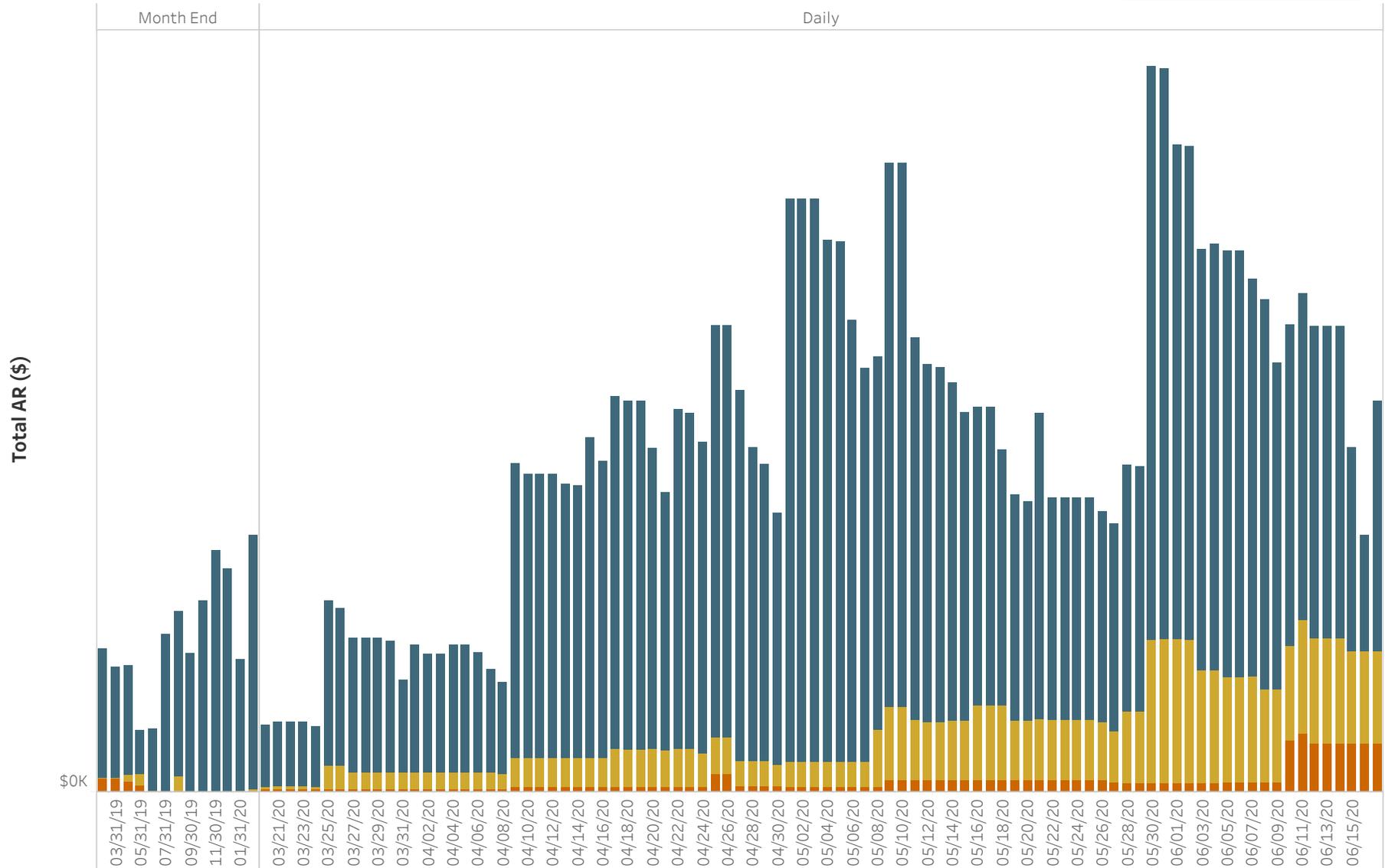
Consumer Class Selection:

Regular

Revenue Class Selection:

Medium General Service

	Accounts	Dollars
30 Days	20	\$37,929
60 Days	7	\$13,982
90+ Days	5	\$7,324
Past Due	32	\$59,235
Total AR	792	\$596,510



AR data as of 6/17/20. Data source is CIS via the AR Balance History SQL report.

Past Due AR in Dollars for Selected Revenue Classes:

Large General Service

Balance Aging: **30 Days** | **60 Days** | **90+ Days**

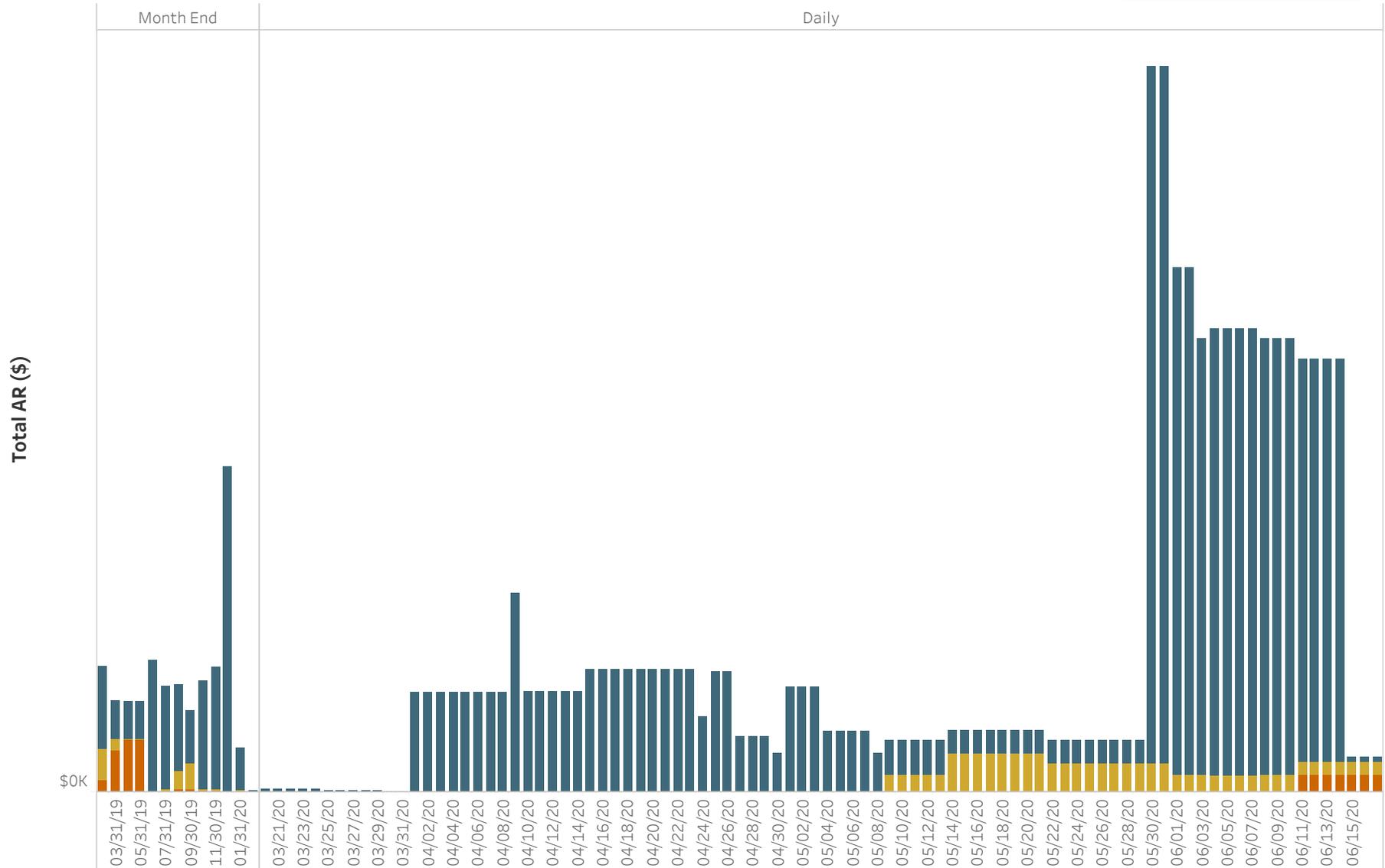
Consumer Class Selection:

Regular

Revenue Class Selection:

Large General Service

	Accounts	Dollars
30 Days		\$885
60 Days		\$2,608
90+ Days	1	\$3,425
Past Due	1	\$6,918
Total AR	170	\$403,495



AR data as of 6/17/20. Data source is CIS via the AR Balance History SQL report.

Past Due AR in Dollars for Selected Revenue Classes:

Irrigation

Balance Aging: **30 Days** | **60 Days** | **90+ Days**

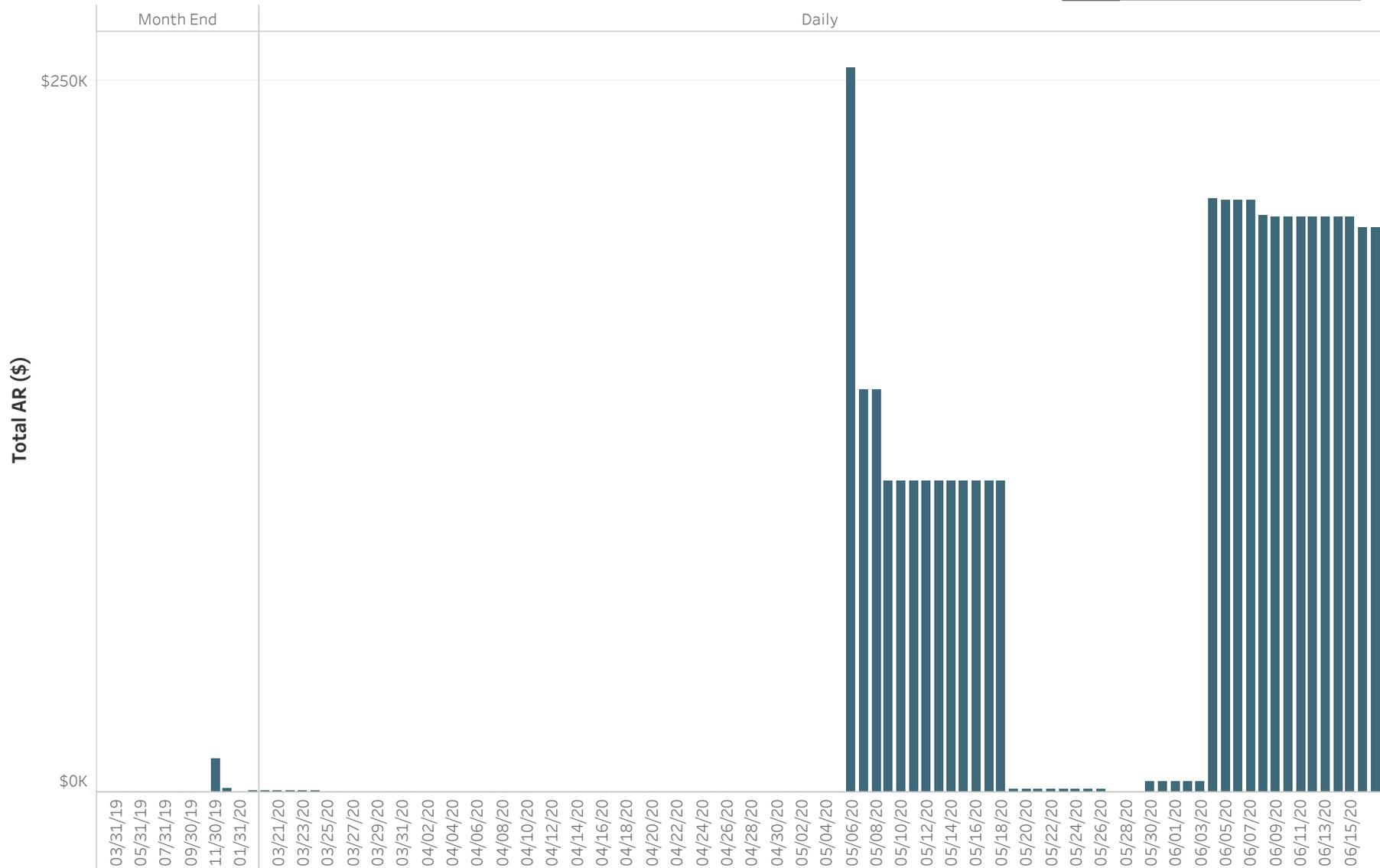
Consumer Class Selection:

Regular

Revenue Class Selection:

Irrigation

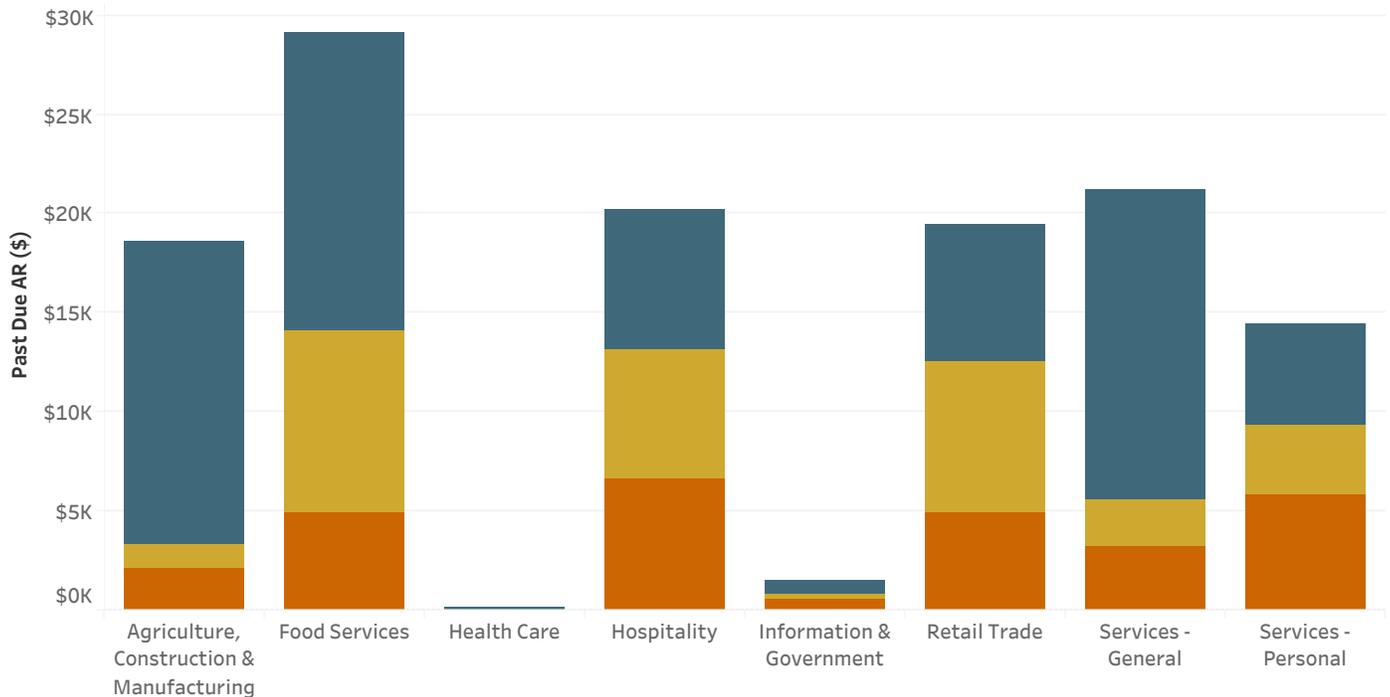
	Accounts	Dollars
30 Days	41	\$198,442
60 Days	1	\$5
90+ Days		\$0
Past Due	42	\$198,447
Total AR	225	\$3,340,440



AR data as of 6/17/20. Data source is CIS via the AR Balance History SQL report.

Past Due AR in Dollars for Business Categories Small, Medium, and Large General Service

Past Due Balance Aging: 30 Days | 60 Days | 90+ Days



Category	# of Accounts	# of Accounts (% of Total)	Total AR	Total AR (% of Total)	Past Due AR	30 Day AR	60 Day AR	90+ Day AR
Agriculture, Construction & Manufacturing	35	12%	\$34,377	18%	\$18,620	\$15,293	\$1,243	\$2,085
Food Services	49	17%	\$45,159	24%	\$29,112	\$15,037	\$9,177	\$4,898
Health Care	2	1%	\$488	0%	\$192	\$192	\$0	\$0
Hospitality	9	3%	\$28,220	15%	\$20,186	\$7,030	\$6,520	\$6,637
Information & Government	13	4%	\$4,708	2%	\$1,535	\$656	\$315	\$565
Retail Trade	53	18%	\$27,075	14%	\$19,446	\$6,850	\$7,691	\$4,905
Services - General	84	29%	\$27,872	15%	\$21,205	\$15,621	\$2,338	\$3,246
Services - Personal	47	16%	\$20,931	11%	\$14,402	\$5,088	\$3,488	\$5,827
Total	292	100%	\$188,829	100%	\$124,700	\$65,767	\$30,771	\$28,163

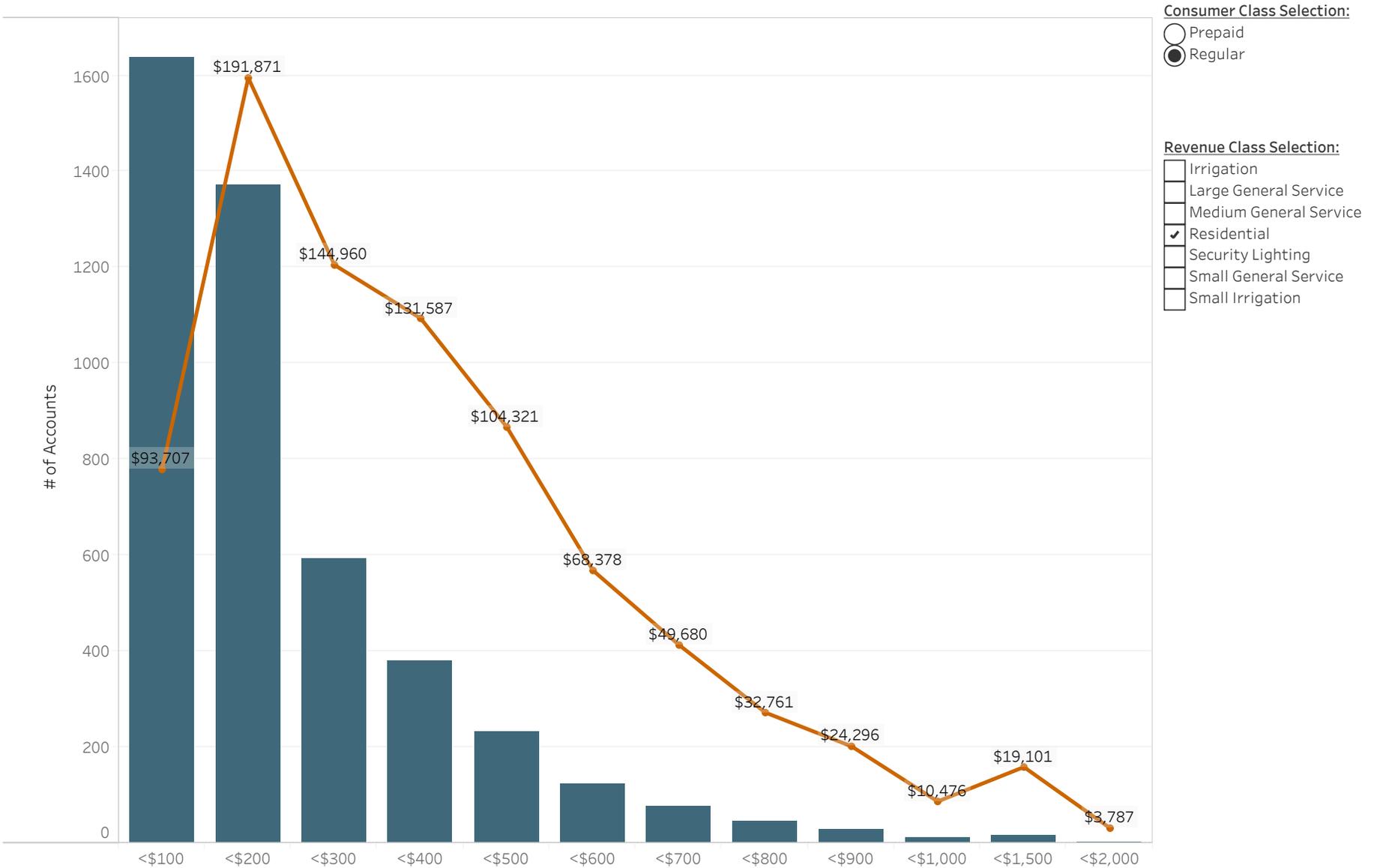
1. AR Data as of 6/17/20.
2. References to Total represent the total in the report and may differ slightly from the sum of the categories due to rounding.
3. Examples of Information & Government businesses include government agencies and telecommunications.
4. Examples of Services - General businesses include automotive shops, consultants, cleaners, and real estate.
5. Examples of Services - Personal include gyms and salons.

Past Due Accounts by Dollar Amount Range (as of 6/17/2020)

of Accounts | \$ Amount

Accounts are sorted into past due amount ranges listed across the bottom.
 Each range is labeled by the maximum value; the minimum value begins where the previous range leaves off.

	Customers	Accounts	Past Due
Residential	4,348	4,521	\$874,924
Total	4,348	4,521	\$874,924

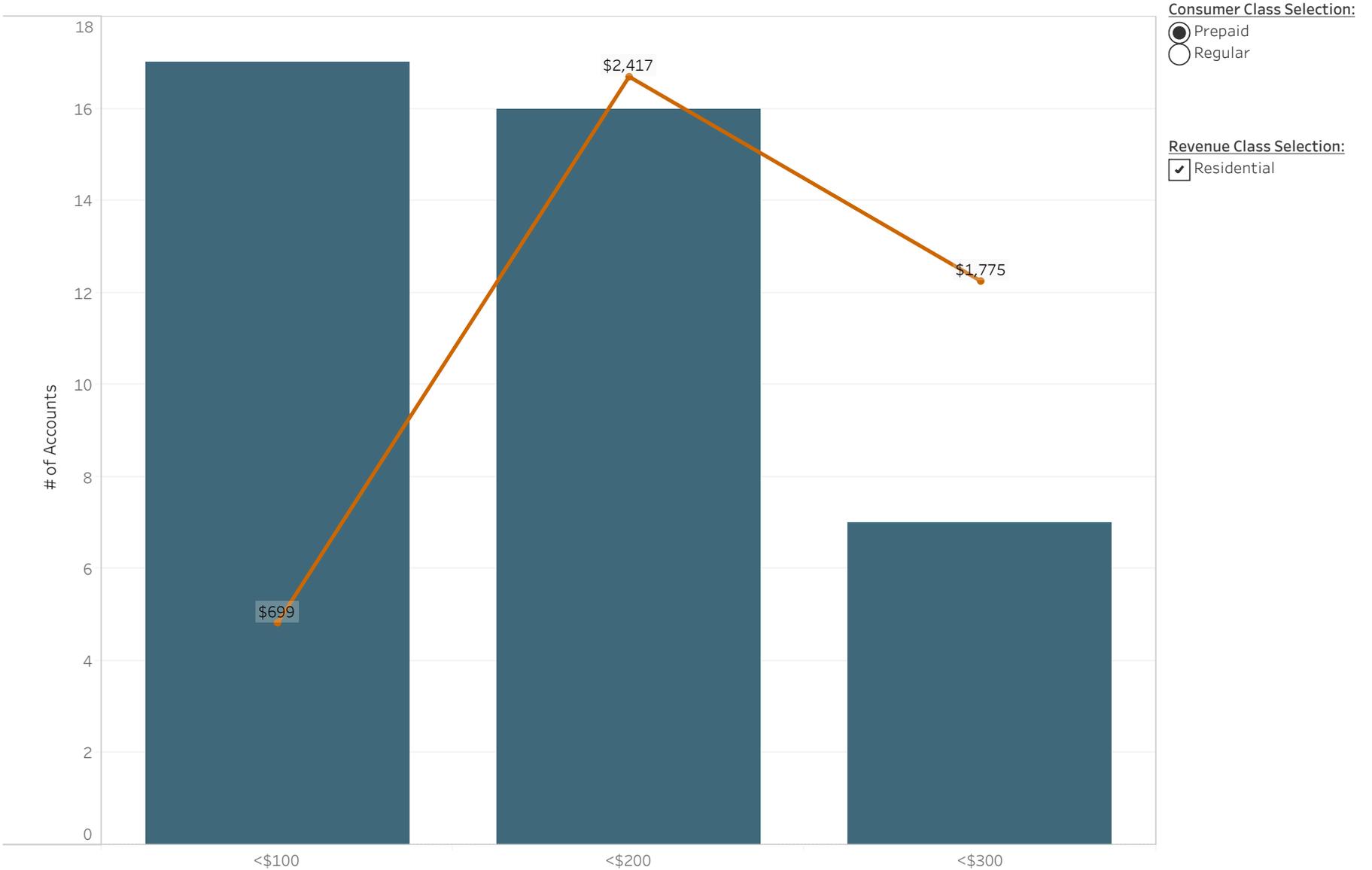


Past Due Accounts by Dollar Amount Range (as of 6/17/2020)

of Accounts | \$ Amount

Accounts are sorted into past due amount ranges listed across the bottom.
 Each range is labeled by the maximum value; the minimum value begins where the previous range leaves off.

	Customers	Accounts	Past Due
Residential	39	40	\$4,891
Total	39	40	\$4,891



Past Due Accounts by Dollar Amount Range (as of 6/17/2020)

of Accounts | \$ Amount

Accounts are sorted into past due amount ranges listed across the bottom.
 Each range is labeled by the maximum value; the minimum value begins where the previous range leaves off.

	Customers	Accounts	Past Due
Small General Service	189	259	\$58,547
Medium General Service	30	32	\$59,235
Large General Service	1	1	\$6,918
Total	216	292	\$124,700

