PUBLIC UTILITY DISTRICT NO. 1
OF
BENTON COUNTY

Date: June 13, 2017
Time: 9:00 a.m.
Place: 2721 West 10th Avenue, Kennewick, Washington

Attendees:
Commissioners Bush, Hall and Sanders
General Manager Bartram
Assistant General Manager Hunter
Legal Counsel Hultgrenn
Senior Director of Engineering and Power Management Dunn
Director of Finance Meyer
Director of Customer Programs and Services Ball
Manager of Communications and Governmental Relations Miller
Manager of Information Technology Folta
Manager of Key Accounts McAloon
Manager of Risk Management & Treasury White
Manager of Applications & Integration Holbrook
Manager of Human Resources Wenner
Manager of Power Resources Johnson
Supervisor of System Automation & Grid Services
Supervisor of System Engineering Evans
Supervisor of Executive Administration Cole
Power & Energy Programs Analyst Dykes
Power & Energy Programs Analyst Mapes
Business Analyst – Customer Programs Sparks
Executive Assistant to the Assistant General Manager Schlekewey

Partial Attendees: Administrative Assistant - Engineering & Power Management Webb, Supervisor of Customer Engineering Irving, Manager of Accounting Zirker

Guests: Vern Dosch (via webex), David Bonnett, Tom DuBos, National Information Solutions Cooperative (NISC)

The Pledge of Allegiance was given.

President Barry Bush opened the commission meeting and stated that public comment would be accepted prior to the strategic planning session discussions.

President Barry Bush stated that public comment would again be provided at certain intervals throughout the strategic planning discussions, and asked the public to hold their comments until public comment was announced during that portion of the agenda.

General Manager introduced today's guests and speakers from NISC as follows: Vern Dosch, President and CEO, attending via WebEx in San Antonio, Texas, and David Bonnett, Vice President, Product Management, and Tom DuBos, Regional Business Manager, both attending in person. He stated NISC is now a major business partner with the District, providing the District with a suite of integrated business systems.

General Manager reviewed past and upcoming strategic planning discussions for the year 2017 and reviewed a chart from the American Public Power Association (APPA), "The Future by Design, 10-Step Action Plan for Transition".

Strategic Planning, discussions on Customer Engagement, Emerging Energy Technologies, and Capital Planning

Mr. Vern Dosch of NISC, via WebEx, discussed the culture and focus of NISC and the relationship NISC holds with their members. General Manager thanked Mr. Dosch for his statements and stated he valued NISC's focus on collaboration with customers and their business model. Mr. Dosch left the meeting via WebEx at 9:35 a.m.

Customer Engagement:

Director of Customer Programs and Services gave a presentation on the District's customer engagement strategy, timeline, successful achievement of the original strategy, and next steps. She reviewed the benefits of the partnership with NISC, noting enhanced services for customers, lower costs, and the importance of NISC's value of innovation. SmartHub tools and customer offerings were reviewed.

Assistant General Manager reviewed future enhancements to Outage Management reporting, including a real-time outage map, at a high level, and outage restoration notifications.

Director continued her presentation on the future of customer engagement, including prepay services, kiosks, meter data management analytics, SmartHub benefits as they relate to customer communication, and proactive outage notifications. Director stated future strategic considerations will include payment channels through SmartHub offerings, rate options, proactive customer communications, solar, electric vehicle stations and battery storage.

Manager of Information Technology briefed the Commission on the benefits of using data analytics, and the District's membership in the Utility Analytics Institute, where private and public utilities share tools and experiences for improvements as well as use cases to develop key performance indicators.

Mr. David Bonnett, (NISC) gave a presentation on Meeting Future Customer Expectations, what they are doing today, and their future direction.

Commissioner Lori Sanders asked what other utilities are requiring for minimum payments when utilizing prepay, and if disconnects can be suspended due to weather considerations. A general discussion was held on the flexibility of prepay, and the ability to configure the system to follow business rules.

At 10:55 a.m., President Barry Bush announced that the commission meeting would recess for 10 minutes.

At 11:05 a.m., President Barry Bush announced that the commission meeting would reconvene into regular open public session.

Emerging Energy Technologies

Manager of Power Resources stated today's presentation would consist of information on the District as a trusted energy partner, solar connections, electric vehicles and energy/battery storage.

Power & Energy Programs Analyst gave a "solar connections" and "electric vehicles" presentation. Analyst informed the Commission that the District has received notice of a proposed award as an apparent successful applicant to the State electric vehicle charging stations grant project.

Manager of Power Resources gave a presentation on energy storage and emerging technologies.

Director of Customer Programs and Services stated a recap of the strategic planning discussions will be scheduled at the July 11, 2017 commission meeting.

Manager of Communications and Governmental Relations gave a presentation on identifying and engaging customers. She reviewed survey results and challenges in today's technology driven market on how to reach different types of customers, and stated potential customer focus groups may be scheduled in 2017.

General Manager concluded the presentations by stating "what do you do in the face of uncertainty – you get close to your customer". He further noted the question remains how to do that.

At 12:10 p.m., President Barry Bush announced the commission meeting would recess for 30 minutes.

At 12:40 p.m., President Barry Bush announced the commission meeting would reconvene into regular open public session.

Capital Planning

Senior Director of Engineering and Power Management gave a presentation on capital planning that included a strategy for meeting continued incremental customer growth to accommodate new large load interconnections and revenue growth opportunities and to meeting customer expectations for a "21st" Century Power Grid".

Senior Director discussed the challenging loads last winter in the Badger Canyon area and on the District's plan of service study. A lease agreement with the City of Richland for use of a portion of a planned substation in the Leslie Road area was briefly reviewed.

Senior Director held a brief discussion on a past outage requested by the Bonneville Power Administration at the Horse Heaven Hills point of delivery, and the concerns relating to that request and future plans to ensure appropriate communications occur.

Treasurer's Report

Manager of Risk Management & Treasury reviewed the May 2017 Treasurer's Report. The Commission accepted the May 2017 Treasurer's Report. The cash investment summary and counterparty credit and sector reports were distributed and briefly reviewed. Manager also discussed the semiannual review and redistribution of undesignated reserves, and stated he would bring a proposal for redistribution to the first meeting in July.

Consent Agenda

Motion by Lori Sanders, seconded by Jeff Hall to approve the Consent Agenda as follows:

a) Approving the commission meeting minutes dated May 23, 2017.

b) Approving the Periodic Travel Report dated June 13, 2017.

c) Approving Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing made available to the Commission. As of this date, the Commission does approve the following for payment: Accounts Payable: Automated Clearing House (DD) payments 62944-63209 in the total amount of $614,381.03, Checks & Customer Refund Payments (CHK) 71038-71155 in the total amount of $635,293.23, Electronic Fund Transfer (WIRE) payments 4168-4189 in the total amount of $10,411,557.48; Residential Conservation Rebates: Credits on Customer Accounts in the total amount of $1,370.00; Payroll: Direct Deposit 05/18/17 62785-62943 in the total amount of $346,815.18 and Direct Deposit 06/01/17 63026-63184 in the total amount of $331,558.82 for a grand total of $11,091,301.48. Voided Direct Deposit in the total amount of $509.91 was included in the report.

d) Authorizing the General Manager, on behalf of the District, to sign Change Order No. 10 of Contract No. 15-18-09 with Epicor Software Corporation, to increase the not-to-exceed amount by $19,305.00; bringing the new not-to-exceed amount to $116,460.00.

e) Authorizing the General Manager, on behalf of the District, to sign Contract Completion and Acceptance for Cable Replacement Projects 2016 by DJ's Electrical, Inc. for Contract No. 16-11, (CPO 50400), in the amount of $875,374.16, including tax.

f) Authorizing the General Manager, on behalf of the District, to sign Contract Completion and Acceptance for 2016 Transmission Construction Project by DJ's Electrical, Inc. for Contract No. 16-13, (CPO 50270), in the amount of $698,409.20, including tax.
MOTION CARRIED UNANIMOUSLY.

Management Report

Director of Finance:

1. In response to customer comments at the May 23, 2017 commission meeting, Director distributed a report from the Washington Utilities and Transportation Commission on rate spread and rate design elements, an article from Jim Lazar entitled, "Electric Utility Residential Customer Charges and Minimum Bills", and an article from the UTC entitled, "Your Energy Bill: Monthly Customer Charge".

Manager of Power Resources:

1. Conservation past/present targets and achievements graphs were distributed and briefly reviewed in response to questions related to momentum savings.

April 2017 Financial Statements

The April 2017 financial statements were reviewed.

Hearing no objection, President Barry Bush adjourned the Commission Meeting at 2:00 p.m.

Barry A. Bush, President

ATTEST:

Lori Kays-Sanders, Secretary