

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

Date: September 25, 2018
Time: 9:00 a.m.
Place: 2721 West 10th Avenue, Kennewick, Washington

Attendees:

Commissioners Bush, Hall and Sanders
General Manager Bartram
Assistant General Manager/Director of Operations Hunter
Legal Counsel Hultgrenn
Senior Director of Engineering and Power Management Dunn
Director of Finance Meyer
Director of IT & Broadband Services Folta
Senior Manager of Communications and Governmental Relations Miller
Manager of Power Contracts & Analytics White
Manager of Risk Management & Treasury Operations Mercer
Manager of Human Resources Wenner
Manager of Contracts & Purchasing Ochweri
Manager of Conservation & Renewable Energy Programs Johnson
Manager of Customer Service McAloon
Manager of Accounting Zirker
Supervisor of Executive Administration Cole
Energy Efficiency Advisor Frost
Communications Analyst Henderson

The Pledge of Allegiance was given.

Consent Agenda

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

- a) Approving Commission Meeting Minutes of September 11, 2018.
- b) Approving Periodic Travel Report dated September 25, 2018.
- 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 70550-70595 in the total amount of \$1,013,194.69, Checks and Customer Refund payments (CHK) 74416-74500 in the total amount of \$321,105.93, Electronic Fund Transfer (WIRE) payments 4622-4623 4626-4627 4629-4631 in the total amount of \$346,450.34; Residential Conservation Rebates: Credits on Customer Accounts in the total amount of \$230.00; Payroll: Direct Deposit 09/06/18 70391-70549 in the total amount of \$343,479.23 for

a grand total of \$2,024,460.19. For September, voided checks in the total amount of \$8,616.49 were included on the report.

d) Approving Work Order No. 546777 to replace existing direct buried primary underground distribution cables along West 46th and West 47th Avenues from South Ely Street to South Ledbetter Street with new underground distribution cables installed in a new conduit system.

e) Authorizing the General Manager, on behalf of the District, to sign Contract Completion and Acceptance for Broadband Projects – Vista and Orchard View Cabinet Install by Robinson Brothers Construction, Inc. for Contract No. 17-10 (CPO No. 50997), in the amount of \$104,998.86, including tax.

f) Authorizing the General Manager, on behalf of the District, to sign Contract Completion and Acceptance for Electric Utility Tree Pruning Vegetation Management for the District (first year) by Boyd's Tree Service, Contract No. 16-21 (CPO No. 50315), in the amount of \$675,547.50.

g) Rejecting all bids received for Bid Package No. 18-16, construction of 15' X 18' stucco building and installation of chiller/boilers based on the bids submitted exceeding the Engineer's Estimate by 15%.

MOTION CARRIED UNANIMOUSLY.

Management Report

Manager of Conservation and Renewable Energy Programs:

1. A flowchart on net metering and Washington solar incentive applications was distributed and reviewed. The Commission was informed that the District's recent Request for Proposals for a community solar project has been cancelled due to issues relating to Washington State University's requirements for administering the program and potential issues relating to the Washington solar incentive program timeline and funding availability.

Manager of Conservation stated that Washington State Renewable Energy System Incentive Program funds will soon be fully obligated. Solar contractors continue to sell solar rooftop units to our customers. General Manager reviewed the payback period used by contractors on the purchase and installation of rooftop solar and stated the numbers are misleading due to many variables such as an average customer electric bill and future projected electric rate increases. Manager of Conservation stated staff has developed communications to provide to solar installers and to District customers related to the increasing risk of availability of Washington State Renewable Energy System Incentive Program funds.

Assistant General Manager:

1. A handout on the Switzler Reservoir Water Storage project was distributed and briefly discussed.

Senior Director of Engineering and Power Management:

1. General Manager indicated that there are many issues that staff is following, some of which will be covered today: the Energy Imbalance Market (EIM), the value of hydro, Initiative 1631, potential carbon legislation in the upcoming legislative session, the four lower Snake

River dams, including salmon and orcas, and recently published studies issued by Climate Solutions and the Northwest Energy Coalition.

Senior Director of Engineering and Power Management discussed the following in more detail: A timeline from the Bonneville Power Administration (BPA) summarizing their plans for evaluating and possibly participating in the Western Energy Imbalance Market hosted by the California Independent System Operator (CAISO), BPA TC-20 transmission related issues, Community Choice Aggregation in California and the attack on Northwest hydro generation as a qualifying GHG free or low carbon energy source due to concerns over “resource shuffling” (handout distributed), Public Generating Pool (PGP) filing with the California Public Utility Commission to provide the facts regarding Northwest hydro, Climate solutions “Within Reach” study regarding a path to 100% fossil-free electricity in the Pacific Northwest, and the status of the Banks Lake Pumped Storage feasibility study.

2. Senior Director distributed pictures from a recent trip to the Frederickson Combined-Cycle Combustion Turbine power plant and provided an update on the status of the plant as well as future challenges and possible uses. Senior Director also discussed the District’s future capacity needs and how the Frederickson tour was the beginning of a product and price discovery effort that will inform the District’s future power supply contract decisions.

At 10:20 a.m., Commission President Barry Bush announced that the commission meeting would recess for 10 minutes.

At 10:30 a.m., Commission President Barry Bush announced that the commission meeting would reconvene into regular open public session.

Senior Manager of Communications and Governmental Relations:

1. General Manager reported that Scott Simms, BPA, left a voicemail praising Karen Miller for her various work activities relating to support of the Snake River Dams.
2. Articles on the Snake River Dams and orcas and tearing down the dams were distributed and a discussion was held on the challenge of getting accurate facts to the public to educate on the value of Snake River dams.
3. A short update on I-1631 was discussed.

Director of Finance:

1. Two draft amended resolutions were distributed – one on District membership/participation in certain community organizations and one on community engagement. Recommended changes to the resolutions were reviewed. General Manager stated that the American Public Power Association (APPA) is urging public utilities to expand community involvement and engage customers through technology and other opportunities. The amended resolutions clarify the District’s policies. The resolution will be brought back at a future meeting for commission consideration.

Business Agenda

August 2018 Financial Statements

Manager of Accounting reviewed the August 2018 financial statements

Future Planning

Commissioner Lori Sanders announced that she would be serving on jury duty during the last November commission meeting.

Meeting Reports

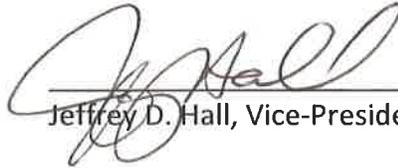
Commissioner Jeff Hall reported on his attendance at a Washington PUD Association (WPUDA) meeting.

At 11:05 a.m., Commission President Barry Bush announced that the commission would go into executive session with legal counsel for five minutes to discuss potential litigation.

At 11:10 a.m., Commission President Barry Bush announced that the commission meeting would reconvene into regular open public session.

Director of Finance noted that representatives from the state auditor's office were in the office beginning the District's 2017 financial audit.

Hearing no objection, President Barry Bush adjourned the Commission Meeting at 11:12 a.m.



Jeffrey D. Hall, Vice-President

ATTEST:



Lori Kays-Sanders, Secretary