

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

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Date: October 27, 2020

Time: 9:00 a.m.

Place: Via MS Teams, per Proclamation No. 20-28

***Attendees:***

Commissioners Hall, Sanders and Bush

General Counsel Dahlhauser

General Manager Dunn

Assistant General Manager Hunter

Senior Director of Finance and Customer Services Meyer

Director of Executive Administration Conover

Director of Power Management White

Director of IT & Broadband Services Folta

Manager of Communications and Governmental Relations Henderson

Manager of Risk Management and Treasury Operations Mercer

Manager of Accounting Zirker

Manager of Enterprise Optimization & Project Management Holbrook

Manager of Customer Service McAloon cm

Manager of Contracts & Purchasing Ochweri

Manager of Conservation & Renewable Energy Programs Johnson

Supervisor of Distribution Design Irving

Senior Engineer Scherer

Supervisor of Executive Administration/Clerk of the Board Marshall

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The Pledge of Allegiance was given.

**Consent Agenda**

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

- a) Approving Commission Meeting Minutes of October 13, 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 82283-82303 82454-82476 in the total amount of \$1,301,861.38, Checks & Customer Refund payments (CHK) 80483-80554 in the total amount of \$269,903.83, Electronic Fund Transfer (WIRE) payments 5519-5539 in the total amount of \$1,869,334.94; Residential Conservation Rebates: Credits on Customer Accounts in the total amount of \$480.00; Payroll,

Direct Deposit 10/15/20 82304-82453 in the total amount of \$357,454.37, for a grand total of \$3,799,034.52. Voided Checks in the total amount of \$254.75 were also included in the report.

c) Authorizing the General Manager on behalf of the District to sign Change Order #3 of Contract #17-18-10 with Oracle America, Inc., to extend the term of the contact to December 31, 2021 and increase the not-to-exceed amount by \$74,696.86; bringing the new not-to-exceed amount to \$359,365.85.

d) Authorizing the General Manager on behalf of the District, to sign a three-year contract with Kuffel, Hultgrenn, Klashke, Shea & Ellerd, LLP, Contract #20-01-03, to retain Dan Hultgreen as Attorney for the District for an not-to-exceed amount of \$75,000.00 per year for a contract total of \$225,000.00, with an expiration date of December 31, 2023.

e) Authorizing the General Manager, on behalf of the District to sign Contract Completion and Acceptance for Orchard View Underground and Vault System by DJ's Electrical, Inc. for Contract #19-08, (CPO #52677), in the amount of \$850,901.98 including tax.

f) Authorizing the General Manager on behalf of the District, to sign the Authorization to Proceed agreement, Contract #20-45-11 with Kenyon Zero Storage, with a rebate of a not-to-exceed amount of \$132,000.00 and an expiration date of August 31, 2021.

g) Authorizing the General Manager on behalf of the District to sign Contract Completion and Acceptance for landscaping maintenance for the District (fourth year of five-year contract) by Heritage Professional Landscaping, Contract #16-08, (CPO #52573), in the amount of \$65,133.96 including tax.

## **Report from Management**

### *General Manager:*

1. General Manager reviewed a recent press statement from Northwest RiverPartners regarding Earthjustice notice of intent to sue the federal government over Columbia River Operations approved by the recent Record of Decision. General Manager informed the Commission of his nomination to serve on the Northwest RiverPartners Board of Directors, with voting to take place during their annual meeting in November.

2. General Manager held a follow-up discussion on the District's Wind Power and Clean Energy Policy Perspectives report. The report continues to gain attention in the northwest and beyond and has garnered support from many, including a recent article in Gary Ackerman's October 23<sup>rd</sup> edition of "THE FRIDAY BURRITO". At this time, staff will hold off on a response to the article published in Clearing Up, written by Nicole Hughes, and recommends writing a companion piece to the District's Wind Power and Clean Energy Policy Perspectives report that would provide additional specifics supporting our conclusions.

3. A discussion was held on the recent U.S. Department of Energy (DOE) advanced nuclear energy awards to X-Energy and TerraPower-GE Hitachi. General Manager reviewed the award summary and the partnership each of the award recipients has with Energy Northwest. Discussions were held on how the District could be involved in assisting Energy Northwest. General Manager proposed adding support for Energy Northwest's efforts related to the DOE advanced nuclear energy awards to the District's strategic plan high priority action items.

4. A brief discussion was held on last week's Public Generating Pool's (PGP) Strategic Planning session in which General Manager and Director of Power Management attended.

5. General Manager presented the 2020-2021 Strategic Plan Addendum in a new report format, as discussed in a prior commission meeting. This addendum includes five high-level focus goals, objectives, and 24 strategies and tactics. The strategies and tactics proposed in the addendum were included in the original 2020-2021 Strategic Plan but represent focus areas for 2021 and the highest priority actions for which staff will regularly report progress to the Commission. Feedback from the Commissioners was provided on the strategies and tactics identified. General Manager informed the Commissioners of three new proposed action items: (1) expand Pay As-You-Go marketing beyond low-income participation; (2) support Energy Northwest's advanced nuclear energy awards; and (3) develop a written wildfire mitigation plan. Commissioners concurred with the addendum and no additional discussions were held.

*Senior Director of Finance & Customer Services/Manager of Customer Service:*

1. Senior Director and Manager held a discussion on the District's Pay as You Go Program and the long-term payment arrangement program. Senior Director reviewed the District's current suspension of disconnects through December 31, 2020, which aligns with the Governor's current moratorium on customer disconnects for residential customers. Staff will monitor conditions and plans to have future discussion with the Commission prior to the end of the year.

Manager of Customer Service stated that staff have been calling and mailing letters to all past-due customers, providing them with information and resources available for utility assistance. Manager provided background and implementation information on the Pay as You Go program that was rolled out in September 2019. Commissioners and staff held a discussion on Pay as You Go and future promotion of the program. Staff are continuing to explore ways to streamline this program and processes.

Senior Director presented data that included information on the number of residential and small general service accounts and how many of these accounts are past due, in comparison to last year, as well as how Pay as You Go could be a tool for many of these customers to pay off arrears balances

2. Senior Director provided an update on the soft opening of the Kennewick customer service lobby on Monday, October 19, 2020. The District is planning to reopen full-time on Monday, November 2, 2020 in both Prosser and Kennewick customer service lobbies. District staff are planning to send out a news release on Monday, November 2, 2020 to inform the public of the reopening.

3. Senior Director reviewed the accounts receivable reports that are included in the commission packet and September 2020 financial statements that are also available on the District's website.

General Manager has spoken to area utilities and currently there are no plans for the other utilities to reopen their doors to the public at this time. General Manager thanked District staff for their hard work to reopen to the public and engage the community.

Commissioner Jeff Hall informed District staff of a customer complaint he received regarding the customer service drive-thru being closed during the District office closure to the public.

*Director of Executive Administration:*

1. Director updated the Commission on her communications with Benton County regarding CARES Act funding. Currently all CARES Act funding received by Benton County has been allocated but Benton County Department of Human Services provided information on programs that may have additional funding and resources available to assist District customers.

*Director of Power Management:*

1. Director provided an update on the final proposed rules released on CETA Rulemaking, with December 2, 2020 being the final discussion on the Rulemaking. Director informed the Commission of two updates from the final proposed rules; draft rules associated with the use of renewable energy and non-emitting generation compliance was removed and future meetings will be held in 2021 to discuss the differing opinions, and the recent addition to the draft rules to include the upstream emissions in the social cost of carbon rules was removed for the final rules.

2. Director reviewed a map of power generation in the Northwest and reviewed coal plants retirement planning. An announcement was released last week that the Boardman coal plant was officially retired, and Centralia 1 will be retired by the end of 2020. Director informed the Commission the Northwest continues to see coal plants retiring and it is a growing concern for resource adequacy.

*Director of Information Technology:*

1. Director updated the Commission on the NoaNet bond issue and staff's plan to bring a proposed resolution to the November 10, 2020 commission meeting that would seek commission approval for the General Manager to sign a NoaNet repayment agreement. The agreement details District financial guarantee obligations over the 10-year life of the bonds. The NoaNet Board of Directors are expected to approve the bond issue during their November 12, 2020 board meeting.

2. Director provided an update on a Washington state-wide E-911 outage that occurred on Thursday, October 22<sup>nd</sup> which lasted about an hour. Director informed the Commission that the outage is a reportable event to the FCC and Washington State Utilities and Transportation Commission and that early indications are that NoaNet's telecommunications network was not a cause for the service disruption. The State's prime E-911 contractor, ComTech, is conducting an investigating to ascertain the cause and is working to add additional resiliency to their portion of the state-wide network.

**Business Agenda**

**Resolution No. 2556, Amending the 2020 Budget**

Senior Director of Finance & Customer Services reviewed the recommended amendments to the 2020 budget.

Motion by Lori Sanders, seconded by Barry Bush adopting Resolution No. 2556 amending the 2020 Budget.

MOTION PASSED UNANIMOUSLY.

### **Financial Forecast Update and 2021 Preliminary Budget Information**

Senior Director of Finance and Customer Services reviewed the preliminary budget that will be reviewed in further detail at the Public Hearing on November 10, 2020 at 9:00 a.m.

Senior Director gave a financial forecast update and a brief discussion was held.

### **Set Public Hearing on the Preliminary 2021 Budget**

Manager of Risk Management and Treasury reviewed proposed key dates for the 2021 budget process. A presentation on the preliminary 2021 budget will be provided to the Commission and any public in attendance at the November 10, 2020 public hearing at 9:00 a.m.

Motion by Lori Sanders, seconded by Barry Bush setting a Public Hearing on the Preliminary 2021 Budget for November 10, 2020, at 9:00 a.m., to be held via conference call at 1-469-998-5874, conference ID 428 483 769#, and directing the General Manager to public the notice of the public hearing date, time and location.

MOTION PASSED UNANIMOUSLY.

### **Conservation Rebate Report for 3<sup>rd</sup> quarter 2020**

Manager of Conservation & Renewable Energy Programs reviewed the Conservation rebate report for 3<sup>rd</sup> quarter 2020. During the 3<sup>rd</sup> quarter of 2020, there were no jobs which paid over \$50,000.00.

Manager gave a 2020 third quarter conservation update presentation and reviewed the conservation 2020-2021 target status, 2020 customer contacts, COVID challenges/opportunities, and pending large projects.

### **Future Planning**

Commissioner Jeff Hall reported on a question he received from a citizen regarding the proposed Scout Clean Energy project and whether they were going through Benton County or instead seeking FSEC approval. Commissioner Barry Bush informed staff and fellow commissioners that he has been in communication with FSEC and provided an update on the process Scout Clean Energy could take with FSEC.

### **Meeting Reports**

Commissioner Jeff Hall reported on the WPUDA Budget Committee meeting and informed staff of the committee's plans to present a recommendation to the WPUDA Board of Directors in November. The committee is recommending a 5% reduction in WPUDA member dues.

General Manager reported on a Lower Snake River Dam white paper that PPC staff are developing and plan to review at the next PPC Board meeting.

Hearing no objection, Commission President Jeff Hall adjourned the Commission Meeting at 11:11 a.m.

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Jeffrey D. Hall, President

ATTEST:  
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Barry A. Bush, Secretary