

MINUTES

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY REGULAR COMMISSION MEETING

Date: May 28, 2024

Time: 9:00 a.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Barry Bush, President
Commissioner Jeff Hall, Vice-President
Commissioner Lori Kays-Sanders, Secretary
General Manager Rick Dunn
Senior Director of Finance & Executive Administration Jon Meyer
Assistant General Manager/Sr. Director Engineering & Operations Steve Hunter
Director of Power Management Chris Johnson
Director of IT & Broadband Services Chris Folta
Director of Customer Service and Treasury Keith Mercer
Supv. of Executive Administration/Clerk of the Board Cami McKenzie
Records Program Administrator II Nykki Drake
General Counsel Allyson Dahlhauser

Benton PUD employees present during all or a portion of the meeting, either in person or virtually: Manager of System Engineering Evan Edwards; Supervisor of Distribution Design Michelle Ness; Manager of Procurement Michelle Ochweri; Manager of Customer Engagement Jenny Sparks; Manager of Customer Service Annette Cobb; Manager of Communications & Government Relations Jodi Henderson; Manager of Human Resources Karen Dunlap; Manager of Business Applications Jennifer Holbrook; Superintendent of Operations Duane Szendre; Supervisor of Energy Programs Robert Frost; Procurement Specialist I Tyson Brown; Senior Engineer Power Management Blake Scherer; Cyber Security Engineer III Paul Holgate; Manager of Accounting Kent Zirker; Communications Intern Mitch Sumner; Distribution Designer Shanna Everson; Senior Distribution Designer Jeff Vosahlo.

Call to Order

Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

Public Comment

None.

Consent Agenda

MOTION: Commissioner Sanders moved to approve the Consent Agenda items “a” through “i”. Commissioner Hall seconded and upon vote, the Commission unanimously approved the following:

- a. Regular Commission Meeting Minutes of May 14, 2024
- b. Travel Report dated May 28, 2024
- c. Vouchers (report dated May 28, 2024) 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 and approved as follows for payment:
Accounts Payable: Automated Clearing House (DD) Payments: 102879-102953 in the amount of \$3,722,905.31.
Checks & Customer Refund Payments (CHK): 87844-87919 in the amount of \$251,683.23;
Electronic Fund Transfer (WIRE) Payments: 6964-6974 in the amount of \$478,295.68;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$320.00;
Payroll: Direct Deposit – 5/9/2024: 102722-102878 in the amount \$452,104.87;
Voided checks (May, 2024) in the amount of \$10,045.94;
Grand total - \$4,905,309.09
- d. GUM-4 Bowles Road Reconductor - Work Order #647875
- e. 7000 Blk of West 15th Avenue Cable Replacement – Work Order #686397
- f. Change Order No. 2 - Altec Industries for 60’ Telescopic Aerial Cab and Chassis – Contract #22-38-02
- g. Change Order No. 1 – Prater Electric Inc. for Vista Bay #1 Foundation, Footing & Conduit Construction – Contract #24-21-07
- h. Contract Award Recommendation to Siefken & Sons Construction for Perimeter Fencing Project – Contract #24-38-01
- i. Contract Award Recommendation to Columbia River Electrical Maintenance for Security Camera Wiring – Contract #24-38-04

Management Report

General Manager:

General Manager Rick Dunn reported on the following items:

1. NRECA opposes \$300 million cap language – It was recently learned the National Rural Electric Cooperatives Association (NRECA) opposes introducing the \$300 million cap language proposed by the Public Power Council (PPC), Northwest RiverPartners (NWRP), and Northwest Requirements Utilities (NRU) to limit the Bonneville Power Administration’s exposure to costs they agreed to as part of the U.S. Government Commitments released in December 2023. NRECA is opposed to engaging in a legislative fix of an FMCS process they view as illegitimate. PPC agrees with NRECA’s assessment of the FMCS process but believes mitigating the financial risk to its members and their customers is a pragmatic strategy.

2. BPA & NWPPCC 9th Circuit Conflicting Briefings – Idaho Conservation League (ICL) is asking the Court to review the Reserves Distribution Clause (RDC) decision by BPA in FY 2022 and 2023, when funds were returned to customers. ICL is arguing that BPA should have used a higher percentage of RDC funds for Northwest Power and Conservation Council's (NWPPCC) fish and wildlife mitigation efforts. The parties will argue whether provisions under the Northwest Power Act apply to BPA's RDC decision. NWPPCC filed to participate as an amicus and proposed a brief that conflicts with BPA's interpretation. PPC is concerned the Council's actions could harm both BPA and the Council. PPC communicated their concerns to the Council to try and stop them from filing their conflicting brief to no avail. BPA plans to ask the Court to reject the Council's briefing because it was submitted so late in the process.
3. New FERC Transmission Rules Order No. 1920 – FERC issued Order No. 1920, aimed at improving the transmission planning process and addressing cost allocation. A few key elements of Order No. 1920 include requiring transmission planners to perform 20-year studies at least once every five years and consideration of alternative technologies. BPA is not jurisdictional and not required to adopt the elements of Order No. 1920; however, BPA has historically used FERC rules as a model for its own tariff and policies.
4. 2024 NERC Summer Assessment – The NERC 2024 Summer Reliability Assessment shows an increased risk of blackouts in the West and other regions of North America and that electric-grid operators should be prepared for another difficult summer. This underscores a deepening dependence on imports, which could be in short supply. WECC-NW, which includes Washington, shows no loss of load hours and NERC is not predicting any problems for us under "normal conditions". However, an extensive west-wide heat event could change things.
5. Update on Salmon Reintroduction above Grand Coulee – Native American tribes in the upper Columbia Basin have said the U.S. Government's commitment to help fund research to permanently reintroduce unlisted Chinook and sockeye salmon in areas blocked by Chief Joseph and Grand Coulee dams has had a profound effect on the tribes. BPA has committed \$200 million over 20 years for reintroduction efforts and the federal government is committed to seeking an additional \$100 million from other sources. General Manager Dunn reminded the Commission that Benton PUD has supported these efforts.
6. Governor Inslee Letter to EFSEC re: HHWF – General Manager Dunn discussed Governor Inslee's response to EFSEC's recommendation dated April 29, 2024 regarding the Horse Heaven Wind Farm Project. EFSEC has 90 days to respond to the Governor's letter requesting reconsideration on specific matters.
7. General Manager Dunn introduced Communications Intern Mitch Sumner.

Customer Service/Treasury:

1. Auditorium Rental Discussion - Director Keith Mercer said the District's current auditorium rental policy is to only rent the auditoriums (Kennewick and Prosser) during business hours which is Monday through Thursday 8:00am to 5:00pm. The District

discontinued renting the auditoriums outside of business hours back in 2021 due to security concerns. With the award of the perimeter fencing project contract to Siefken & Sons today, staff recommends the District no longer accept auditorium reservations at the Kennewick and Prosser locations effective immediately. Continuing to rent the auditoriums after the perimeter fencing project is completed would defeat the purpose of the fencing project as the public would have access to the secure area through the emergency exit doors. The District would continue to use the auditorium for District business needs and affiliate organizations. The Commission agreed with staff's recommendation.

Finance/Executive Administration:

1. Financial Reports - Senior Director Jon Meyer provided the Commission with a financial report for April, 2024.

Business Agenda

Contract Recommendation - Washington Families Clean Energy Credits Grant - Contract #24-44-05

Director Keith Mercer updated the Board since his last presentation on May 14 on the proposed contract with the Department of Commerce (DOC) for the Washington Families Clean Energy Credits Grant and discussed the following:

- Department of Commerce draft grant agreement was received on May 15, 2024.
 - Pertinent sections were discussed with the Commission.
- Communication Guidelines - had not yet received formal verification but had received verbal communication that there should not be any issues with violating PDC rules.
- Third-party vendor (Promise) - The District will not utilize third-party vendor due to concerns with sharing customer data.
- Draft timeline with the District's communication plan was shared.
 - Communication plan is flexible and can be delayed if necessary.
- The District's draft grant application for customers was shared.
- Comments from DOC about the grant being mandatory.
 - Commissioners' would like to know how the state can mandate a grant. Staff will be researching this.

MOTION: Commissioner Sanders moved to table the final discussion and motion on the contract recommendation for Washington Families Clean Energy Credits Grant until the June 25, 2024 meeting. Commissioner Hall seconded and upon vote, the motion carried unanimously.

Future Planning

As a reminder, the June 11, 2024 meeting was cancelled.

Meeting Reports

NWPPA Annual Conference

Commissioner Bush reported on his attendance at the NWPPA Annual Conference and discussed the Future Utility Executive Leadership (FUEL) program and a presentation from a gentleman that has worked at three different utilities about someone killed in the line of duty. Additionally, that he requested the General Manager to review its current emergency response plans.

WPUDA Strategic Planning Meeting

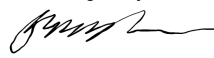
Commissioner Hall reported on his attendance at the strategic planning meeting for WPUDA (via zoom) and Commissioner Bush said he also attended.

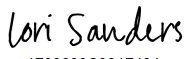
WPUDA Grid Reliability Policy Development

General Manager Dunn said he would be attending a WPUDA meeting to discuss strategies around resource adequacy and clean energy grid reliability.

Adjournment

Hearing no objection, President Bush adjourned the meeting at 10:51 a.m.

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Barry Bush, President

ATTEST:
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Lori Kays-Sanders, Secretary