

**THE BOARD OF COMMISSIONERS  
OF  
PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY, WASHINGTON**

MINUTES OF THE JANUARY 23, 2024  
SPECIAL COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington held a special meeting at 1411 W. Clark St., Pasco, WA, on January 23, 2024, at 7:30 a.m. Remote technology options were provided for the public to participate.

Those who participated from the District via remote technology or in person for all or part of the meeting were Commissioner Stu Nelson, President; Commissioner Roger Wright, Vice President; Commissioner Bill Gordon, Secretary; Scott Rhees, General Manager/CEO; Steve Ferraro, Assistant General Manager; Victor Fuentes, Engineering and Operations Senior Director; Katrina Fulton, Finance and Customer Service Director; Rosario Viera, Public Information Officer and Tyler Whitney, General Counsel.

Additional staff that participated in person or via remote technology for all or part of the meeting was Shelly Olson, Records Coordinator.

Public participating in person or via remote technology for all or part of the meeting was Richard Schober (Piper Sandler and Co.); Stacie Amasaki (Foster Garvey PC); and Dave Mercier (Kenbrio Inc.).

**OPENING**

Commissioner Nelson called the meeting to order at 7:30 a.m. and called on Mr. Rhees to lead the Pledge of Allegiance.

Commissioner Nelson reported that the purpose of the special meeting was to conduct District business as was listed on the special meeting notice. He noted that action will be taken, and no additional matters outside of what was listed on the special meeting notice would be discussed at the meeting.

**PUBLIC COMMENT**

Commissioner Nelson called for public comment and there was none.

**CONSENT AGENDA**

The Commission reviewed the Consent Agenda. Commissioner Wright moved and Commissioner Gordon seconded to approve the Consent Agenda as noted below. The motion passed unanimously.

- 1) To approve the minutes of the December 12, 2023, Regular Commission meeting.

- 2) To approve payment of expenditures for December 2023 amounting to \$10,582,407.83 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO as required by RCW 54.16.100, and expense reimbursement claims certified as required by RCW 42.24.090 and as listed in the attached registers and made available to the Commission for inspection prior to this action as follows:

<b>Expenditure Type:</b>	<b>Amounts:</b>
Direct Deposit Payroll – Umpqua Bank	\$ 505,582.62
Wire Transfers	4,715,034.97
Automated and Refund Vouchers (Checks)	3,818,157.11
Direct Deposits (EFTs)	1,697,598.98
VOIDS	(153,965.85)
<b>Total:</b>	<b>\$ 10,582,407.83</b>

- 3) To approve the Write Offs in substantially the amount listed on the January 2024 Write Off Report totaling \$3,437.68.
- 4) Contracts Awarded During 2023 from the District’s Small Works Roster. *(For Information Only - Report to Commission)*

**AGENDA ITEM 4, ADOPTING A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF ELECTRIC REVENUE BONDS IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$20,000,000 TO FINANCE IMPROVEMENTS TO THE DISTRICT’S ELECTRIC SYSTEM; FIXING THE FORM AND COVENANTS OF THE BONDS; AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO APPROVE THE FINAL TERMS OF THE BONDS.**

Ms. Fulton introduced Mr. Schober and Ms. Amasaki. She reviewed the background information as reported on the Agenda Item Summary included in the meeting packet.

Ms. Fulton reported that the proposed non-refunding bond issue is expected to be \$20 million and will be used to fund capital projects. She presented a chart showing the level aggregate with stepdown structure and the outstanding debt service line level with aggregate debt service. Mr. Schober provided a brief update on the current bond market and noted that rates were favorable.

The Commission asked questions regarding the District’s reserves, current bond rates, and funding for capital projects. Mr. Rhees reported that it was important to keep healthy reserves because of the volatility of the power market and noted that it was prudent. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to adopt Resolution 1405 as presented. The motion passed unanimously.

**AGENDA ITEM 5, ADOPTING A RESOLUTION REVISING THE DISTRICT'S ORGANIZATIONAL STATEMENT AND SUPERSEDING RESOLUTION 1378.**

Ms. Viera introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She noted that this matter had been tabled at the December 12, 2023 Commission meeting. She reported that the only potential conflict identified with changing the regular Commission meetings start time to 8:30 a.m. was with Benton PUD Commission meetings. Discussion ensued. The Commission requested staff provide proper notification to other entities advising them of the change of the District's Commission meeting start time. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to adopt Resolution 1403 as presented. The motion passed unanimously.

**AGENDA ITEM 6, ADOPTING A RESOLUTION REVISING THE HOURS OF THE AGENT FOR SERVICE OF CLAIMS FOR THE DISTRICT AND SUPERSEDING RESOLUTION 1369.**

Ms. Viera introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She noted that once adopted the Resolution will be recorded with the Franklin County Auditor's office. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to adopt Resolution 1406 as presented. The motion passed unanimously.

**AGENDA ITEM 7, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF A PASSIVE OPTICAL NETWORK REQUIRED FOR THE CONNELL AND BASIN CITY FIBER-TO-THE-HOME PROJECT.**

Mr. Ferraro introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. The Commission had questions regarding the equipment being purchased and status of the fiber-to-the-home project. Staff provided the information.

Mr. Ferraro reported that the bid submitted by Power & Tel/Radisys was marked as having no exceptions, however during evaluation the District discovered the bid had major exceptions to the District's specifications that included the inability to support D-Class optics, Extended (37.6km) Optical Line Terminal PON Splits, Maximum (37.5+km-Ex=60km) Optical Line Terminal PON Split, or the Radius security software. He noted that these exceptions are not acceptable to the District. Staff reviewed their recommendation.

Commissioner Gordon moved and Commissioner Wright seconded to find the bid submitted by Power & Tel/Radisys non-responsive and authorize the General Manager/CEO or his designee to execute a contract with General Pacific, the lowest responsive bidder, for the purchase of a passive optical network in an amount not to exceed \$130,001. The motion passed unanimously.

**AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT EXTENSION WITH PACIFIC POLE INSPECTION, LLC FOR POLE TESTING AND TREATMENT.**

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to authorize the General Manager/CEO or his designee to execute the final extension to Contract 10048 with Pacific Pole Inspection LLC, for year three funding, beginning February 1, 2024 through January 31, 2025, in the amount not to exceed \$116,200, which includes a 3% increase for unit pricing and applicable taxes. The motion passed unanimously.

**AGENDA ITEM 9, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF PADMOUNT SWITCHGEAR.**

Mr. Fuentes introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. The Commission asked questions regarding the estimated delivery time, current inventory on hand, and noted that ordering proactively was wise. Staff reviewed their recommendation.

Commissioner Gordon moved and Commissioner Wright seconded to authorize the General Manager/CEO or his designee to execute a contract with Stuart C Irby Co., the lowest responsive bidder, for the purchase of padmount switchgear in an amount not to exceed \$493,627. The motion passed unanimously.

Before the presentation of Agenda Item 10, Ms. Viera requested a break to allow Mr. Mercier to arrive.

At 7:58 a.m., Commissioner Nelson called for a 10-minute break.

At 8:08 a.m., Commissioner Nelson ended the break and reconvened the special meeting.

**AGENDA ITEM 10, DISCUSSING AND UPDATING THE DISTRICT'S STRATEGIC PLAN.**

Mr. Rhees introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. He noted that at the September 2023 Commission meeting the Commission had affirmed the Guiding Principles and introduced Mr. Mercier.

At 8:38 a.m., the District experienced a technical issue, and the Zoom link was lost momentarily and relaunched immediately.

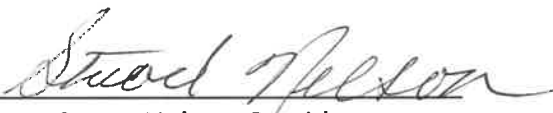
Mr. Mercier reported that it was important to recognize that many things have changed since the creation of the Strategic Plan. Through questions and discussions Mr. Mercier guided a Strengths, Weaknesses, Opportunities, and Threats (SWOT) exercise with the Commission and

staff present. Discussion ensued on the items identified through the discussion and with assistance from Mr. Mercier the Commission and staff were able to narrow down SWOT items.


The Commission requested that staff continue the refinement of the SWOT analysis information and identify things that were within the District's control and those that the District had no control over. Mr. Rhees noted that no action was being requested today and that staff would take the information from the SWOT analysis and bring updated Strategic Priorities and Goals for Commission review and consideration to a future Commission meeting.

**CLOSING OF MEETING – ADJOURNMENT**

With no further business to come before the Commission, Commissioner Nelson adjourned the special meeting at 10:59 a.m. The next regular meeting will be February 13, 2024 and begin at 8:30 a.m. at the District's Auditorium located at 1411 W. Clark Street, Pasco, WA. Remote technology options will be provided for members of the public to participate.

  
Stuart Nelson, President

  
Roger Wright, Vice President

  
William Gordon, Secretary