

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

MINUTES OF THE JANUARY 25, 2022  
REGULAR COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County held a regular meeting at 1411 West Clark St., Pasco, WA, on January 25, 2022 at 1:00 p.m. This meeting was ran in accordance with the current *Proclamation by the Governor, Amending and Extending 20-05, and 20-28 Open Public Meetings Act and Public Records Act* in effect; a conference call option was 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 Roger Wright, President; Commissioner Bill Gordon, Vice President; Commissioner Stu Nelson, Secretary; Scott Rhees, General Manager; Holly Dohrman, Assistant General Manager; Steve Ferraro, Operations Director; Victor Fuentes, Engineering Director; Brian Iller, outside General Counsel, and Rosario Viera, Supervisor of Executive Administration.

Additional staff that participated in person or via remote technology for all or part of the meeting was Natassja Ransom, Human Resources Generalist.

Public participating in person or via the remote technology option for part of the meeting was Mr. Spencer Roundy, Rate Advisory Committee (RAC) member and District customer.

**OPENING**

Commissioner Wright called the meeting to order at 1:00 p.m. and called on Mr. Rhees to lead the Pledge of Allegiance.

**PUBLIC COMMENT**

Commissioner Wright welcomed Mr. Roundy and called on him for public comment.

***RAC Recommendation***

Mr. Roundy reported that the RAC met on January 20, 2022 to discuss the Small Irrigation Rate Schedule change of moving from a Horsepower (HP) charge to a kW demand charge. Mr. Roundy reported that the change was discussed at the meeting and there was RAC consensus on bringing forth a recommendation to the Commission in favor of changing the rate schedule. He noted that the change was rate revenue neutral and a fair way to bill.

Commissioner Wright asked if Mr. Roundy had received any feedback from other irrigators and Mr. Roundy noted he had not. He asked Mr. Rhees if the District had received any customer feedback on the proposed rate schedule change.

Mr. Rhees reported that customers served under the Small Irrigation Rate Schedule were

provided comparison information on their respective irrigation service accounts and reported that questions were received from some irrigation customers and staff was able to address the questions. He noted that the change is tied to the actual consumption and will provide accurate usage information. Commissioner Wright thanked Mr. Roundy for attending and providing the RAC recommendation.

## COMMISSIONER REPORTS

Commissioner Gordon reported that:

- The San Diego Gas and Electric and Avista have increased rates. He noted that the District was fortunate to not be in the position of having to increase rates. Commissioner Nelson noted that utility rate increases were discussed at the WPUDA monthly meeting and reported that various member utilities were also increasing rates.
- He reached out to the office of Representative Mark Klicker, 16th District, and requested they contact Mr. Rhees for further discussion on incorporating product lead times into competitive solicitation standards for state and local procurement. Mr. Rhees reported that staff had made contact and noted that Representative Klicker dropped House Bill (HB) 2092. Mr. Rhees noted that staff will track the progress of the HB closely. Commissioner Gordon noted that he also forwarded the HB to WPUDA for their support.

Commissioner Nelson reported that:

- He attended the WPUDA monthly meeting.
- He will be attending various organizational luncheons this week.

Commissioner Wright reported that:

- There was no NoaNet monthly meeting in January.
- He met with Mr. Rhees in preparation for Mr. Rhees' performance evaluation.
- He has been reviewing information from Northwest River Partners (NWRP) and has spoken to various staff from neighboring utilities regarding NWRP campaign funding needs.
- His son lives in California and shared the electric rates that his son pays. He noted that he appreciates the rates the District has.

## CONSENT AGENDA

The Consent Agenda was reviewed by the Commission. Commissioner Gordon reported he had asked for clarification on a few items from the warrant registers and Mr. Rhees provided the information. Commissioner Gordon moved and Commissioner Nelson seconded to approve the Consent Agenda as noted below. The motion passed unanimously.

- 1) To approve the minutes of the January 11, 2022 Regular Commission Meeting.
- 2) To approve payment of expenditures for December 2021 amounting to \$8,141,727.91 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager 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	\$ 701,404.75
Wire Transfers (Wires)	5,134,139.53
Automated and Refund Vouchers (Checks)	1,426,544.30
Direct Deposits (EFTs)	879,968.57
Voids	(329.24)
<b>Total:</b>	<b>\$ 8,141,727.91</b>

- 3) To approve the Write Offs as listed on the January 2022 Write Off Report in the amount of \$11,393.75.
- 4) To declare a final acceptance of the work completed and as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of \$12,193.52 for work completed by Pacific Pole Inspection LLC under Contract 9746, Pole Testing & Treatment.

**AGENDA ITEM 6  
REPORTING ON CONTRACTS AWARDED DURING 2021 FROM THE DISTRICT'S SMALL WORKS ROSTER.**

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She reported that District Administrative Policy 19, Small Works Roster, requires staff to annually provide a report of all the Small Works contracts awarded during the prior year to the Commission. She reviewed the contracts as listed on Attachment A of the Agenda Item. Ms. Dohrman reported that the Attachment also included public works contracts and the limited works contracts awarded. She noted that no action was necessary on this item and she was reporting only.

**AGENDA ITEM 7  
AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE CITY OF CONNELL TO PROVIDE A REMOTE PAY STATION FOR DISTRICT CUSTOMERS.**

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She noted that the City of Connell has been providing these services for a long time and the purpose of the Interlocal Agreement was to memorialize the agreement. She noted that Revised Code of Washington 39.34 requires Interlocal Agreements be authorized by the Commission. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to authorize the General Manager or his designee to execute an Interlocal Agreement with the City of Connell to provide a remote pay station for District customers. The motion passed unanimously.

The Commission asked for an update on the electric vehicle charging station located in Connell and Ms. Dohrman provided information on the general use of the electric vehicle charging station

in Connell and the other location in the District's service territory.

**AGENDA ITEM 8**

**AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO APPROVE ADDITIONAL FUNDING TO MAGNUM POWER LLC, CONTRACT 9368, FOR MISCELLANEOUS DOCK CREW PROJECTS.**

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that in February 2019, the District entered into contract with Magnum Power LLC to furnish labor and equipment required to complete various projects in the District's Capital Budget for a not to exceed amount of \$3,664,345.59 over the initial three (3) year term of the contract.

Mr. Fuentes reported that staff was requesting authorization for additional funding of \$300,000 to ensure the completion of a major customer distribution project, another capital project and for other unforeseen work that may be needed for their completion. Staff reviewed their recommendation.

Commissioner Gordon moved and Commissioner Nelson seconded to authorize the General Manager or his designee to approve additional funding to Magnum Power LLC, Contract 9368, for miscellaneous dock crew projects in the amount of \$300,000. The motion passed unanimously.

**AGENDA ITEM 9**

**AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT AMENDMENT WITH MAGNUM POWER, LLC FOR MISCELLANEOUS DOCK CREW PROJECTS.**

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He noted that as reported in the Agenda Item 8, the initial term of the dock crew contract is for three years, with an option to renew for one additional twelve-month period.

He noted that staff was seeking to amend the contract to extend the term as allowed and include an increase of 3% for all unit pricing of the previous year amount. The amendment will authorize the final and fourth year funding of \$1,328,683, which includes the 3% increase of \$36,807 for all unit pricing. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to authorize the General Manager or his designee to execute a contract renewal for miscellaneous dock crew projects with Magnum Power LLC, for the final and year four funding in an amount not to exceed \$1,328,683 which includes a 3% increase for unit pricing. The motion passed unanimously.

**AGENDA ITEM 10**

**PRESENTING AND APPROVING THE PROPOSED SCHEDULE FOR COMMISSION PRESENTATIONS AND WORKSHOPS FOR 2022.**

Mr. Rhees introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reviewed the proposed topics and dates. Commissioner Wright requested that the workshop for the Broadband Update be moved

to an earlier date. He noted that there was need for a more detailed discussion on the strategic direction of broadband and moving the workshop to an earlier date would facilitate the discussion. Commissioner Wright expressed concern with the rapidly growing need for additional broadband infrastructure and how it would impact the District. Mr. Rhees noted that in addition to the growing demand there also needed to be discussion on the retail authority. Discussion ensued. The Commission noted that the May 10, Bid Process and Specifications Review workshop would be moved to the July 26 workshop date, and the Broadband Update would be done on May 10.

Commissioner Gordon moved and Commissioner Nelson seconded to approve the Commission presentations and workshops for 2022 revised as requested and noted below:

Month/Day	Topic	Type	Proposed Time
February 22	Northwest River Partners	Presentation	Agenda Item for Regular Meeting
March 22	Power	Workshop	10 a.m., Special Meeting
April 26	District Financial Update	Presentation	Agenda Item for Regular Meeting
May 10	Broadband Update Bid Process and Specifications Review	Workshop	10 a.m., Special Meeting
June 28	Open Public Meetings Act/Public Records Act	Workshop	10 a.m., Special Meeting
July 26	Bid Process and Specifications Review	Workshop	10 a.m., Special Meeting
August 23	Legislative Update	Presentation	Agenda Item for Regular Meeting
September 27	Electric System Update	Workshop	10 a.m., Special Meeting
October 25	NISC Update	Presentation	Agenda Item for Regular Meeting

The motion passed unanimously.

**AGENDA ITEM 11  
PROVIDING AN UPDATE AND APPROVING CLOSURE OF THE DISTRICT'S 2020-2021 OPERATING PLAN.**

Mr. Rhees introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that Attachment A summarized the progress on the 2020-2021 Operating Plan. Mr. Rhees noted that the Operating Plan had been impacted by the pandemic.

Commissioner Wright noted that despite that, staff had accomplished great things and had positioned the District well. Commissioner Wright noted that of significance was the Powerex contract that was secured, the sale of the Pasco CT and being able to overcome the challenges and keep providing customers service during the pandemic. Commissioners Gordon and Nelson agreed and noted their approval of the staff's accomplishments. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to approve closure of the District's 2020-2021 Operating Plan. The motion passed unanimously.

Mr. Rhees noted that staff will bring the 2022-2023 Operating Plan to the February meeting for review, discussion and approval. Commissioner Gordon noted that the Strategic Plan goes

through 2023 and Mr. Rhees noted that staff will begin the process to review and develop a new plan in the fall of 2023.

## **AGENDA ITEM 12**

### **PROVIDING AN UPDATE ON THE PANDEMIC EMERGENCY EVENT.**

Mr. Rhees introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reviewed Attachment A of the Agenda Item and reported in more detail on the impact of COVID on employees.

Mr. Rhees noted that there has been a rise in COVID cases and strict protocols continue to be enforced for District employees. He provided an update on the number of employees that have recently fallen ill due to COVID. He noted that the COVID leave plan is no longer available for employees who contract COVID or are awaiting test results and employees are required to use their own personal leave time. He reviewed a slide showing the number of days employees were out due to COVID by department and noted nearly every department has been affected. He reviewed a graph on customer walk in traffic and reported that since the pandemic many customers have chosen to pay their utility bill on-line or by using another contactless method. Discussion ensued.

Mr. Rhees noted that no action was necessary on this item and he was reporting only.

## **AGENDA ITEM 13**

### **DISCUSSING A PROPOSED FUNDING REQUEST FOR A PRO-LOWER SNAKE RIVER DAMS MEDIA CAMPAIGN FROM NORTHWEST RIVER PARTNERS.**

Mr. Rhees introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that based on the discussion from the January 11, 2022 regular meeting, he had reached out to Mr. Kurt Miller, Executive Director from Northwest River Partners (NWRP) for more information on the cost breakdown for the media campaign to show support of the Lower Snake River Dams (LSRD).

He shared the budget that Mr. Miller had provided regarding the campaign and noted that it was very high level and it did not provide detail. Mr. Rhees reported that the vagueness of the preliminary budget was of concern amongst other things. He noted that after much review of the information provided by Mr. Miller and discussions with other entities, staff's recommendation would be to not approve the funding request for this campaign and noted that based on approvals from the other neighboring utilities the District would be alone on this decision.

The Commission concurred that the budget was vague. Commissioner Wright noted that advertisement is expensive but agreed the amounts being requested were very high.

Commissioner Gordon expressed his disagreement with the approach NWRP has taken in funding their campaigns and noted that he had not been in favor of continuing as members of NWRP. He reported that he did not see what this campaign would accomplish for District rate payers and noted that contributing \$220,000 from District rate payers would not help.

Commissioner Nelson noted that not contributing to the media campaign may be frowned upon by other neighboring utilities and Commissioner Gordon noted that was not of importance.

Commissioner Wright reported that the District needed to show support and have a program supporting the LSRD. He noted that being able to show what the LSRD provide and how beneficial hydroelectricity is, especially the ability to call upon it when needed was critical. Commissioner Wright noted that this campaign appeared to be lacking but he did share Commissioner Nelson's concern of being the only local entity that does not contribute. He reported that the City of Richland had recently approved the funding request and noted that the decision had not been unanimous.

Commissioner Nelson reiterated that he felt it was important to contribute in some manner to this campaign and noted that the LSRD were in our backyards. Commissioner Wright reported that the District needs to have a proposal on how it will support this issue, and show that the District is 100% in support of hydroelectric power, especially the LSRD. Commissioner Gordon noted that the District was heavily involved in RiverFest and in the creation of educational videos regarding the dams.

Mr. Rhees reported that this issue impacted more than just utility providers and he noted that NWRP needed to expand to include non-utility members. Commissioner Wright emphasized the importance of making the District's support of the dams known.

The Commission agreed no decision would be made today and that this matter will be discussed further at the February 22, 2022 regular meeting. Mr. Rhees reported that Mr. Miller will provide a presentation at the meeting.

#### **GENERAL MANAGER REPORT:**

Mr. Rhees reported that:

- The District continues to receive requests for new load and he provided an update.
- The disposition of the Pasco CT is on track.
- He has been asked to speak at a Foreman Leadership Skills program in Spokane in early February.
- Organizational changes have been made and noted that Mr. Ferraro is overseeing Operations and his title is now Operations Director. He noted that Human Resources will continue to report to Mr. Ferraro. Mr. Ben Hooper has been promoted to Superintendent of Transmission & Distribution and will oversee the Metering and Fleet departments in addition to Broadband.

#### **CLAIMS**

Ms. Dohrman reported that there was one claim to report. She noted that a commercial truck belonging to another local utility had caught a wire and the customer had been without service for some time. Ms. Dohrman noted the claim was submitted to Federated and has been denied.

#### **ASSISTANT GENERAL MANAGER REPORT:**

Ms. Dohrman report that:

- The monthly financial reports for November and December were included in the meeting packet. She noted that she would focus her review on December. She reported that the District performed well in 2021 and shared some of the highlights. Commissioner Gordon

asked about the impact on Sales for Resale when the Frederickson contract expires and Ms. Dohrman provided the information.

- The automated meter infrastructure deployment is moving along. She reported on the customer notification process and provided an update on the number of meter exchanges that have been completed. Mr. Rhees noted that he was at his home when his meter was exchanged and noted that the interruption was minimal. He reported that staff had done a great job. Commissioner Wright noted that he had not received any feedback from his neighbors on the matter.
- The December Conservation Summary report was included in the meeting packet.
- Staff would like to schedule a public hearing for the Small Irrigation Rate Schedule change in preparation for presentation of adoption and inquired on Commission preference on dates. Discussion ensued. The Commission requested the public hearing be part of the February 22, 2022 regular meeting.
- For her audit, she reported that she reviewed overtime reports. She noted that overtime outside of emergency work must be pre-authorized and she reviewed reported overtime to ensure that approvals had been properly obtained. Ms. Dohrman noted the process is being followed.

#### **OPERATIONS DIRECTOR REPORT:**

Mr. Ferraro reported that:

- Despite not being able to meet in person the District's Safety Committees have done a great job in providing training for employees. He noted that in 2021, over 26 training opportunities were provided to employees and he reviewed them.
- For his audit, he did a five year look back on reportable accidents for the District and he reviewed the data. He noted that every accident is reviewed carefully to try and learn from it and avoid it happening again.

#### **ENGINEERING DIRECTOR REPORT:**

Mr. Fuentes reported that:

- Work continues on the Franklin substation rebuild project and he provided an update.
- The dock crew is working on system maintenance projects and he provided an update on the current projects.
- For his audit, he reported that when he began employment at the District the net metering agreement approval process was behind. He noted that the process was revised and that net metering agreements are now current. The Commission asked for an update on net metering and Mr. Fuentes reported he will provide the information at the next Commission meeting.

#### **SUPERVISOR OF EXECUTIVE ADMINISTRATION REPORT:**

Ms. Viera reported that:

- Staff created an informational video for customers on how to be prepared for an outage. She shared the video with the Commission and noted that staff will work on posting it on the social media platforms as well on the District's website.
- For her audit, she reviewed a five year look back on the number of records request received and provided general information on the number and nature of requests received.



**OUTSIDE GENERAL COUNSEL REPORT:**

Mr. Iller noted he did not have a report for the Commission this month.

Mr. Rhees reported that in follow up to a Commission request, beginning in February an employee will be invited to the meeting for the Employee Minute.

At 2:45 p.m., Commissioner Wright called for a two minute break to be followed immediately by a 20-minute executive session to begin effective immediately for the purpose of reviewing the performance of a public employee as allowed per RCW 42.30.110 (g). All staff was dismissed with the exception of Mr. Rhees, Ms. Viera, and Ms. Ransom.


He noted the executive session will begin at 2:47 p.m. and end at 3:07 p.m.

At 3:07 p.m., Commissioner Wright ended the executive session and reconvened the regular meeting.


Commissioner Wright directed staff to prepare a resolution for introduction and Commission consideration of an adjustment to the General Manager's salary at the February 22, 2022 meeting.

**MEETING ADJOURNMENT**

With no further business to come before the Commission, Commissioner Wright adjourned the regular meeting at 3:09 p.m. The next regular meeting will be February 22, 2022 at 1:00 p.m., and will be held in accordance with the current Governor's proclamation in affect. Members of the public may participate via conference call.

  
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Roger Wright, President

  
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William Gordon, Vice President

  
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Stuart Nelson, Secretary