

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

MINUTES OF THE MARCH 12, 2019
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 March 12, 2019 at 1:00 p.m.

Those present from the District for all or part of the meeting were Commissioner Roger Wright, President; Commissioner Bill Gordon, Vice-President; and Commissioner Stu Nelson, Secretary; Holly Dohrman, Interim General Manager; Duane Sams, Director of Engineering; Carrie Locke, Senior Manager, Human Resources; Debbie Bone-Harris, Senior Manager, Public Affairs; Travis Scott, Director of Operations; Brian Johnson, Director of Administrative Services; Brian Iller, Outside General Counsel, and Rosario Viera, Executive Assistant.

There was no other staff present for all or part of the meeting.

There was no public present for all or part of the meeting.

OPENING

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

PUBLIC COMMENT

Commissioner Wright called for public comment and there was none.

COMMISSIONER REPORTS

Commissioner Gordon reported that:

- He attended the APPA Legislative Rally in Washington D.C. and noted that a big item of discussion continues to be pole attachments. He reported that many states are writing letters to their respective legislative representatives noting recent rulings from the Federal Communications Commission are in violation of the Communications Act of 1934.

Commissioner Nelson reported that:

- He also attended the APPA Legislative Rally in Washington D.C. and noted that the meeting with the Commissioner from the Federal Energy Regulatory Commission had gone well.

Commissioner Wright reported that:

- He will be attending NoaNet and noted that the Chief Operating Officer's review will be conducted. He reported that the Board Vice-President position, which was vacated by Rick Dunn, will be discussed.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. There was discussion on the minutes from the

February 26, 2019 regular Commission meeting, and staff provided the clarification. Commissioner Nelson moved, and Commissioner Gordon seconded to approve the Consent Agenda as follows:

1. To approve the minutes of the:
 - a. February 12, 2019 Special Commission Meeting,
 - b. February 12, 2019 Regular Commission Meeting, and
 - c. February 26, 2019 Regular Commission Meeting.

The motion passed unanimously.

AGENDA ITEM 5

DISCUSSING THE PAYMENT AGREEMENT TO PROVIDE FINANCING TO NORTHWEST OPEN ACCESS NETWORK.

Commissioner Wright provided additional information on the current status of Northwest Open Access Network (NoaNet) and anticipated 2019 capital projects. He reported that the member funding being provided will be for future expansion of NoaNet's broadband infrastructure and is not intended to be used to cover day to day expenses. Commissioner Wright noted that approving the higher member payment option would not increase the District's risk exposure. He reviewed the amounts of the member payments agreed upon from the other participating NoaNet Members and called on Mr. Johnson.

Mr. Johnson briefly reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that as was requested the Member Payment Agreement to provide financing to NoaNet was being brought back for additional discussion and further consideration of the \$200,000 option. He noted that Commissioner Wright was correct, and that there was no additional exposure to the District in providing the additional funding to NoaNet. Discussion ensued.

Mr. Johnson noted that staff prepared Resolution 1317 in the event that the \$200,000 option was agreed upon today. He noted that if adopted, Resolution 1317 will rescind Resolution 1313 and provided financing to NoaNet in the amount of \$200,000.

There was additional discussion on NoaNet's financial performance, the capital projects expected in 2019, and expected revenue from the completed capital investments. There was consensus from the Commission on the importance of broadband services and supporting NoaNet's efforts to expand these services.

Commissioner Nelson moved and Commissioner Gordon seconded to adopt Resolution 1317, as presented with the \$200,000 Member Payment option and rescinding Resolution 1313. The motion passed unanimously.

DISCUSSING AND INTRODUCING A RESOLUTION APPOINTING THE POSITION OF GENERAL MANAGER OF THE DISTRICT.

Ms. Locke introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She noted that in July 2018, the

District's General Manager at that time, had provided formal notice of his intent to terminate employment with the District and served as General Manager until September 25, 2018.

She reported that subsequently the position was advertised, and the Commission independently reviewed and assessed applications received. Several applicants were provided phone interviews resulting in two finalists that were provided formal in person interviews.

Ms. Locke reported that the Revised Code of Washington (RCW) 54.16.100, states "*The Commission, by resolution introduced at a regular meeting and adopted at a subsequent meeting, shall appoint and may remove at will a district manager, and shall, by resolution, fix compensation*"; and noted that at the February 26, 2019 regular meeting the Commission had authorized staff to initiate negotiations with the selected General Manager finalist and to bring a resolution for introduction to the March 12, 2019 regular Commission meeting, if successful.

She reported the selected candidate had accepted the employment offer. There was discussion on the qualifications, education and experience of the candidate as related to the position of General Manager. The salary for the candidate was discussed and agreed upon. Ms. Locke reported that pursuant the RCW 54.16.100, staff was introducing Resolution 1315, appointing Mr. Scott R. Rhees as the General Manager of the District. There was discussion on the effective date for Mr. Rhees and concurrence on it being April 1, 2019.

Commissioner Nelson moved and Commissioner Gordon seconded to submit for introduction Resolution 1315, appointing Scott R. Rhees as the General Manager of the District and to bring back such Resolution to the next regular Commission meeting scheduled on March 26, 2019 for further consideration and adoption. The motion passed unanimously.

Ms. Locke reported that since Mr. Rhees had accepted the employment offer, staff was introducing Resolution 1316, also pursuant to RCW 54.16.100, to remove Ms. Dohrman as the Interim General Manager. She noted that since Mr. Rhees' appointment as General Manager will begin April 1, 2019, the last day Ms. Dohrman would serve as Interim General Manager should be March 31, 2019 and the Commission agreed. Ms. Locke noted that Ms. Dohrman will continue her employment with the District under her previously held position of Assistant General Manager.

Commissioner Nelson moved and Commissioner Gordon seconded to submit for introduction Resolution 1316, removing Ms. Dohrman as the Interim General Manager and to bring back such Resolution to the next regular Commission meeting scheduled on March 26, 2019 for further consideration and adoption. The motion passed unanimously.

At 1:20 p.m., Commissioner Wright called for an executive session for the purpose of reviewing the performance of a public employee as allowed per RCW 42.30(110)(1)(g)). The executive session was expected to last 10 minutes.

At 1:30 p.m., Commissioner Wright ended the executive session and reconvened the regular meeting.

Commissioner Wright reported that Ms. Dohrman's annual performance evaluation was due, and because of the timing of the hiring of the new General Manager they had conducted this review with Ms. Dohrman based on her past 12 months' job performance.

Commissioner Wright reported that Ms. Dohrman has demonstrated strong leadership skills as Assistant General Manager. The Commission reported that they were able to observe the depth of her experience and knowledge as she performed additional duties while Interim General Manager. The Commission reported that many of the additional duties will remain in Ms. Dohrman's role as Assistant General Manager and that Ms. Dohrman will be assisting the newly appointed General Manger to familiarize himself with the District, and will continue to perform many other additional duties to ensure a successful transition.

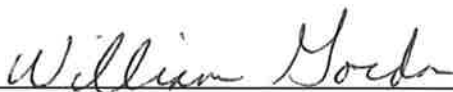
Commissioner Nelson moved and Commissioner Gordon seconded to authorize a merit increase of six percent to Ms. Dohrman's current salary, effective April 8, 2019. The motion passed unanimously.

MEETING ADJOURNED

With no further business to come before the Commission, Commissioner Wright adjourned the meeting at 1:35 p.m. The Commission will hold a special meeting for the purpose of holding a Broadband Strategic Workshop on March 26, 2019 beginning at 9:00 a.m., in the District's Auditorium. The next regular meeting will be on March 26, 2019 and begin at 1:00 p.m. in the District's Auditorium.



Roger Wright, President



William Gordon, Vice President



Stuart Nelson, Secretary