

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

MINUTES OF THE MARCH 22, 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 March 22, 2022, at 1:00 p.m. This meeting was conducted 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 Nastassja Ransom, Human Resources Generalist.

There was no public participating in person or via remote technology for any part of the meeting.

#### **OPENING**

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

#### **PUBLIC COMMENT**

There was no public participating via the remote technology option or present to provide public comment.

#### **EMPLOYEE MINUTE**

Commissioner Wright welcomed Ms. Ransom and noted that it was the intent of the Commission to hear from employees and check how they are doing. Commissioner Wright asked Ms. Ransom general wellbeing questions that included what she was most proud of, favorite parts of her job, biggest challenge during the pandemic, and what change she would make at the District.

Ms. Ransom shared that she enjoyed working at the District and noted she appreciated that decisions were made with the customers best interest as the priority. She reported that management had done a great job keeping employees healthy during the pandemic. Ms. Ransom noted that she enjoyed being able to provide information to employees on the many benefits available to them, especially during times of duress when they may forget they have certain benefits available to them. She reported that being able to provide them assistance was one of her favorite things. She noted that she appreciated her supervisor and his support. A challenge

she dealt with was keeping up with the many changes regarding the pandemic mandates, especially the rules on the leave plans that were provided.

The Commission thanked Ms. Ransom for attending and sharing her thoughts.

**COMMISSIONER REPORTS:**

Commissioner Gordon reported that:

- He attended the APPA WA DC Legislative Rally and noted that they were able to meet with senior staff from Senator Maria Cantwell’s office. He noted this was the first in person meeting since the pandemic began for her staff. He noted that APPA passed a Resolution in Support of the Lower Snake River Dams.

Commissioner Nelson reported that:

- He attended the WPUDA monthly meeting that was held virtually and expressed his continued disappointment with the virtual platforms.

Commissioner Wright reported that:

- He and Mr. Rhees met with the CEO and other staff from Energy Northwest to discuss the services they offer. He noted that they do provide many services but found them to not be cost effective.
- He was not able to attend the NoaNet monthly meeting and had asked Mr. Ben Hooper to attend as his alternate.

**CONSENT AGENDA:**

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

- 1) To approve the minutes of the February 22, 2022, Regular Commission Meeting.
- 2) To approve payment of expenditures for February 2022 amounting to \$10,270,379.32 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	\$ 478,810.26
Wire Transfers (Wires)	7,209,378.41
Automated and Refund Vouchers (Checks)	1,343,778.20
Direct Deposits (EFTs)	1,238,675.80
Voids	(263.35)
<b>Total:</b>	<b>\$ 10,270,379.32</b>

- 3) To approve the Write Offs as listed on the March 2022, Write Off Report in the amount of \$6,609.08.

**AGENDA ITEM 7, AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF FUEL.**

Mr. Ferraro introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. There was general discussion on the services provided, the location of fueling stations, fuel types and usage. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to find Coleman Oil Company, LLC, the lowest responsive bidder and to authorize the General Manager or his designee to execute a contract with Coleman Oil Company, LLC in an amount not to exceed the OPIS wholesale cost, plus the margin rate for the type of fuel per gallon, and applicable taxes as presented. The motion passed unanimously.

**AGENDA ITEM 8, ADOPTING A RESOLUTION CONTINUING THE LOW-INCOME SENIOR CITIZEN AND LOW-INCOME DISABLED PERSON DISCOUNT PROGRAMS AND SUPERSEDING RESOLUTION 1351.**

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 on the number of accounts and the dollar amount of the discounts for the two programs over the last three years. Staff reviewed their recommendation.

Commissioner Gordon moved and Commissioner Nelson seconded to adopt Resolution 1367 as presented. The motion passed unanimously. The Commission noted these were valuable programs to offer District customers.

**AGENDA ITEM 9, ADOPTING A RESOLUTION AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO MODIFY THE GENERATION GREEN PROGRAM PRICING.**

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 as required by the Revised Code of Washington, the District had initiated the Generation Green Program to give customers the opportunity to voluntarily purchase Renewable Energy Credits. She reported that the initial pricing for the Generation Green program had not been reviewed since implementing the program.

Ms. Dohrman noted that after review, staff determined that the pricing per block should be reduced from \$5.00 per block to \$1.25 per block to better align with current market pricing and administration costs. She noted that customers will be able to purchase whole block increments at \$1.25 per one block (100 kwh) of green power. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to adopt Resolution 1368 as presented. The motion passed unanimously.

**AGENDA ITEM 10, AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF THREE PHASE DISTRIBUTION PADMOUNT TRANSFORMERS.**

Mr. Fuentes introduced the agenda item and reported that in February 2022, the District requested sealed bids from contractors for the purchase of three phase padmount transformers required to meet the District's needs. He provided an updated Agenda Item Summary with the following information:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions</u>
ERMCO/Hees	\$333,139	Yes

Mr. Fuentes reported that the bid submitted by ERMCO/Hees had technical exceptions that included differences in paint location and color, nameplate style, and the bidder will not provide an Audible Sound Level Test. He noted that the technical exceptions are acceptable to the District.

Commissioner Gordon asked for clarification on the sound level test, and it was provided. There was discussion on the long lead times for material and their increasing costs. The Commission asked for more information on the District's inventory and Mr. Fuentes noted he would provide it during the electric system update scheduled for July. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to find ERMCO/Hees the lowest responsive bidder and to authorize the General Manager or his designee to execute a contract with ERMCO/Hees, for the purchase of three phase transformers in an amount not to exceed \$333,139. The motion passed unanimously.

**AGENDA ITEM 11, AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF STEEL STRUCTURES FOR FRANKLIN SUBSTATION REFURBISHMENT PHASE 2.**

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 2022, the District requested sealed bids from contractors to furnish the steel structures required for the Franklin Substation Refurbishment Project Phase 2. The following two (2) bids were received and evaluated:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Callies Welding and Fabrication, LLC.	\$109,639.77	No
Monarch Machine & Tools Co.	\$105,045.00	No

He noted that staff determined that the bid submitted by Monarch Machine & Tools Co., was a responsive bid and within the District's estimate. Staff reviewed their recommendation.

Commissioner Gordon moved and Commissioner Nelson seconded to find Monarch Machine & Tools Co., the lowest responsive bidder and to authorize the General Manager or his designee to award Bid No. 10042 to Monarch Machine & Tools Co., for the purchase of steel structures needed for the Franklin Substation Refurbishment Project Phase 2, in an amount not to exceed \$105,045. The motion passed unanimously.

**AGENDA ITEM 12, AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF PRIMARY UNDERGROUND CABLE.**

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 the District requested bids to furnish a total of 229,000 feet of primary underground cable for use as needed on the 12 kV distribution system for customer additions and capital projects. The following bid was received and evaluated:

<u>Bidder:</u>	<u>Amount:</u>
Wesco Distribution	\$1,227,750

He noted that staff determined that the bid submitted by Wesco Distribution was a responsive bid and within the District's estimate. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to find Wesco Distribution the lowest responsive bidder and to authorize the General Manager or his designee to execute a contract with Wesco Distribution for the purchase of primary underground cable in an amount not to exceed \$1,227,750. The motion passed unanimously.

**AGENDA ITEM 13, ADOPTING A RESOLUTION APPOINTING AN AGENT FOR SERVICE OF DAMAGE CLAIMS FOR THE DISTRICT AND SUPERSEDING RESOLUTION 1349.**

Mr. Rhees introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He noted that the previously appointed agent has since separated employment with the District and adopting Resolution 1369 would appoint Mr. Fuentes, Engineering Director as the District's new claims agent. Staff reviewed their recommendation.

Commissioner Gordon moved and Commissioner Nelson seconded to adopt Resolution 1369 as presented. The motion passed unanimously.

**AGENDA ITEM 14, ADOPTING A RESOLUTION APPOINTING HOLLY DOHRMAN AS AUDITOR OF THE DISTRICT AND SUPERSEDING RESOLUTION 1305.**

Mr. Rhees introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He noted that the previously appointed auditor has since separated employment with the District and adopting Resolution 1370 would appoint Ms. Dohrman, Assistant General Manager as the Auditor. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to adopt Resolution 1370 as presented. The motion passed unanimously.

**AGENDA ITEM 15, REVIEWING AND APPROVING THE OPERATING PLAN FOR YEARS 2022-2023.**

Mr. Rhees introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He noted that the proposed Operating

Plan for 2022-2023 (the Plan) was included in the meeting packet for Commissioner review. He reviewed the Plan and highlighted Goals and Tactics of interest.

Commissioner Wright noted that bringing in an employee for the Employee Minute was important and tied into Strategic Priority, *Provide an Excellent Work Place Environment*. There was general discussion on the Tactics included in the Plan.

Commissioner Gordon moved and Commissioner Nelson seconded to approve the District's 2022-2023 Operating Plan as presented. The motion passed unanimously.

**AGENDA ITEM 16, 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 noted that since March 2020 monthly updates have been provided to the Commission regarding all actions taken to mitigate the impacts of the pandemic and ensure business continuity. He noted that although State mandates are being lifted, he will monitor things closely before he lifts the emergency pandemic status for the District.

Mr. Rhees provided a brief review of several charts include in Attachment A of the Agenda Item and there was discussion on the impacts of inflation. He noted that no action was needed, and he was reporting only.

**CLAIMS**

Ms. Dohrman reported that there were two new claims to report on. She noted that one was for damage done to a kitchen appliance allegedly caused by the meter exchange and the other was for damage allegedly caused after the line crew performed work on a nearby power pole. Ms. Dohrman reported that both claims have been forwarded to Federated for final determination.

**GENERAL MANAGER REPORT:**

Mr. Rhees reported that:

- The deployment of the automated meter infrastructure is going well and he provided an update. He noted that the District has received various customer concerns with the opt out fee. He shared an email received from a customer. He noted that staff had done additional research on the opt out fees from other utilities and he reviewed them. He noted that staff had also prepared an informational flyer to provide customers regarding the smart meters and he shared it with the Commission.

**ASSISTANT GENERAL MANAGER REPORT:**

Ms. Dohrman report that:

- The Conservation Summary Report was included in the meeting packet and she provided follow up information regarding a large project noted in the report.
- The January 2022 monthly financial report was included in the meeting packet, and she reviewed the highlights of the report. She noted that staff will provide the February monthly report at the April Commission meeting.

- For her audit, she reviewed the purchasing process that staff follows. She noted that pre-authorization requirements were put in place a few years back and the intent of the audit was to make sure those were not causing unnecessary delays. Discussion ensued on the process.

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

Mr. Ferraro reported that:

- The mechanic shop underwent some building improvements and noted that larger garage doors were installed to facilitate larger vehicles.
- There were a few outages last month and he provided more details on the two larger outages. He noted the larger outages had great crew response time.
- He continues to meet with the IBEW Business Agent on labor management issues and noted they have a good working relationship.
- The Broadband department continues to be busy and he provided an update on new service quotes received. He noted that staff worked with NoaNet staff to submit a Request for Proposal for the Pasco School District broadband services and ultimately won the award.
- Regarding safety, the administration office has 1,134 days without lost time and 144 days without a recordable incident. He noted the operations group has 1,401 days without lost time and 782 days without a recordable incident. Mr. Ferraro reported that safety trainings continue to be provided and staff does a good job.
- For his audit, he reviewed the process for the warehouse when a pick list is received from the field engineers. He noted that he will work on updating the Construction Standard pick lists to ensure all materials are called for correctly and the pick lists are accurate.

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

Mr. Fuentes reported that:

- The District received a request for a service exception from Big Bend Electric Cooperative for the Kohler Subdivision. He reported that the District can provide service to the customer. He noted that there are no circumstances that would necessitate a service exception and the request will not be granted.
- Staff continues to finalize the City of Connell streetlight agreement.
- The Burns Road walkway has been started and he noted things are going well.
- The System Engineer has given notice of separation of employment. He noted that staff will work on filling the position.
- The tentative new service loads are making progress and he provided an update.
- For his audit, he reviewed the dock crew billing. He noted that the Commission had authorized an additional \$300,000 and he reviewed the current billing and pending work to ensure the amount would not be exceeded.

Commissioner Wright asked if there had been any feedback from his recent visit with the Engineering Department staff. Mr. Fuentes noted that staff was pleased to hear from a Commissioner and noted they appreciated the token of appreciation he had provided. Commissioner Wright noted that many good questions were asked during his visit, and he appreciated staff's feedback.

**SUPERVISOR OF EXECUTIVE ADMINISTRATION REPORT:**

Ms. Viera reported that:

- There are several community events coming up that staff will participate in. She noted the first was a safety presentation for a local elementary school, the Energy Summit for local area 5<sup>th</sup> graders and the Senior Expo. She provided the dates and times for the events.
- The Northwest Public Power News Bulletin will feature a cover story on the District's Broadband department. She noted the article will provide more information on the colocation services offered by the District

**OUTSIDE GENERAL COUNSEL REPORT:**

Mr. Iller reported that:

- He will be providing an email update on the case he is representing on behalf of the District.

At this time, Commissioner Wright called for a five-minute break to begin at 3:05 p.m. and end at 3:10 p.m.

At 3:10 p.m., Commissioner Wright ended the break and reconvened the regular meeting. All staff was dismissed except for Mr. Rhees, Ms. Viera, and Ms. Ransom.

Ms. Ransom reported that staff was directed to prepare a resolution for introduction and Commission consideration of an adjustment to the General Manager's salary. She noted that Resolution 1366 was presented at the February Commission meeting and based on the discussion was brought back for final review and adoption.

Commissioner Wright reported that the Commission is pleased with Mr. Rhees' performance. He noted that he believes that Mr. Rhees has done great job as General Manager of the District. Further, he noted that Mr. Rhees has accomplished all that has been asked from the Commission. The Commission commended Mr. Rhees for his strong leadership and noted that the District continues to perform well under Mr. Rhees' leadership. There was general discussion on compensation for General Managers for utility districts. The Commission thanked Mr. Rhees for his work. Mr. Rhees thanked the Commission for their continued support and noted he was pleased to work for District and serve its customers.

Commissioner Wright reported that he would like to have discussion at the April Commission meeting on formalizing 2022 performance goals for Mr. Rhees. Commissioner Gordon and Commissioner Nelson agreed.

Commissioner Wright moved and Commissioner Gordon seconded to adopt Resolution 1366, Setting Compensation for the General Manager and Authorizing a Term Extension of the Employment Agreement, with an annual salary of \$240,000 to be effective April 1, 2022. The motion passed unanimously.



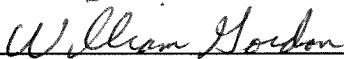
Commissioner Wright asked for a brief update on the sale of the Pasco CT and Mr. Rhees noted that all equipment has been removed and staff is working with Gray's Harbor PUD to ensure all the other terms of the purchase agreement are followed by the buyer.


Commissioner Wright noted that inflation will be a concern across all aspects of the District and noted that he would like to see an in-depth analysis done on the salary compensation plan. He noted that he would like to see it completed prior to adoption of the 2023 Operating Budget. Mr. Rhees noted that staff will investigate the matter and try to accommodate the timeline requested. He noted that he may bring the salary administration plan to the Commissioner prior with a request to have titles revised or added. Discussion ensued.

**MEETING ADJOURNMENT**

With no further business to come before the Commission, Commissioner Wright adjourned the regular meeting at 3:21 p.m. The next regular meeting will be April 26, 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