

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

MINUTES OF THE MARCH 26, 2019
SPECIAL COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County held a special meeting at 1411 West Clark St., Pasco, WA, on March 26, 2019 at 9:00 a.m.

Those present from the District for all or part of the meeting were Commissioner Roger Wright, President; 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; and Rosario Viera, Executive Assistant.

Additional staff present for all or part of the meeting was Lori Combs, Ben Hooper, Brent Weatherman, Natassja Ransom, and Rob Richmond.

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

OPENING

Commissioner Wright called the special meeting to order at 9:00 a.m. and asked Mr. Hooper to lead the Pledge.

Commissioner Wright noted that Commissioner Gordon was not able to attend the meeting and was excused.

BROADBAND STRATEGIC PLAN PRESENTATION

Commissioner Wright reported that the purpose of the special meeting was to hear a presentation and have discussion on the District's broadband strategic plan and called on Mr. Johnson.

Mr. Johnson reported that the presentation today would complete *Operating Plan Tactic, 3.2.b; Evaluate current state of the District's broadband infrastructure and provide a strategic plan for outer years to maximize broadband assets*. Through a presentation Mr. Johnson provided an overview that included the current status of the District's broadband infrastructure, customer activity, and broadband staffing. He provided maps that showed the locations of the broadband infrastructure within the District's service territory.

He reported on some of the challenges in providing broadband services and noted that the broadband industry continues to grow and reviewed the broadband revenue projections. He noted the District's five year projected average growth for broadband services is 11%. Mr. Johnson noted that this projected growth was not sustainable without investing more staff and capital which carried the risk of overstaffing should the growth flatten out. Discussion ensued.

The presentation also included discussion points on matters that could potentially affect the broadband industry, such as the continued growth, economic downturns, legislation regarding retail authority, failing infrastructure, small cell pole attachments and other pertinent issues.

There were questions during and after the presentation that lead to discussions on the current number of retail service providers utilizing the District's broadband infrastructure, staffing needs for the future, and the possibility of outsourcing the District's broadband services.

The Commission reported that long term planning for broadband needs to be determined to help understand if there is a benefit in continuing to provide broadband services and ensure it is not being subsidized by the rate payers. Discussion ensued.

The Commission noted the importance of being active in the discussions regarding the legislation on small cell pole attachments and requested that staff work closely with the City of Pasco and other entities that will also be impacted. Mr. Scott reported that a committee is in place and that staff has been working with the City of Pasco and other utilities in preparation.

There was group discussion on the impacts to the rate payers if the District did not provide broadband services, and there was general consensus that it did bring benefit to customers, even if indirectly.

Mr. Johnson reported that staff had prepared a draft broadband strategic plan and provided a copy to the Commission for their review and consideration. He provided a high level review of the proposed goals, and mission and vision statements for broadband.

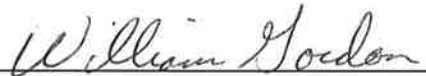
The Commission requested this matter be discussed further at a future meeting and noted that other agencies should be included in the discussion. They noted it was important to invite others and, if necessary hold public hearings to ensure rate payer's interest are heard. They requested the matter also be briefly discussed at the upcoming Economic Development Workshop on April 23, 2019 at 9:00 a.m.

MEETING ADJOURNED

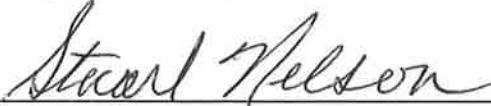
With no further business to come before the Commission, Commissioner Wright adjourned the special meeting at 10:09 a.m. The next regular Commission meeting will be March 26, 2019 at 1:00 p.m.



Roger Wright, President



William Gordon, Vice President



Stuart Nelson, Secretary