

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

MINUTES OF THE APRIL 25, 2023
REGULAR COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington held a regular meeting at 1411 W. Clark St., Pasco, WA, on April 25, 2023, at 1:00 p.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 Bill Gordon, President; Commissioner Stu Nelson, Vice President; Commissioner Roger Wright, Secretary; Scott Rhees, General Manager/CEO; Holly Dohrman, Assistant General Manager; Steve Ferraro, Operations Director; Victor Fuentes, Engineering Director; Rosario Viera, Supervisor of Executive Administration and Brian Iller, outside General Counsel.

Additional staff that participated in person or via remote technology for all or part of the meeting were Dean Oberlander, Senior Project Engineer; Natassja Ransom, Human Resources Generalist; Shelly Olson, Records Coordinator; and Shyanne Palmus, Community Relations Coordinator.

Public participating in person or via remote technology for all or part of the meeting was Matt Lynch, Attorney, Sebris Busto James.

OPENING

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

PUBLIC COMMENT

Staff notified the Commission that no written public comment was received prior to the meeting.

Commissioner Gordon welcomed those in attendance and called for public comment and there was none.

Commissioner Gordon called for a re-order of the Regular Meeting Agenda and proceeded to Agenda Item #6. He called on Mr. Ferraro for introduction of the Agenda Item.

ETHICS AND HARASSMENT PRESENTATION/DISCUSSION

Mr. Ferraro reported that the presentation subject matter was of great importance and noted that it would also be provided to the District's management staff. He introduced Mr. Lynch and noted that he would be presenting today.

Mr. Lynch reported that providing training on ethics and harassment was not only critical but also required by the law. Mr. Lynch reported that two presentations would be given, Ethical Rules and Considerations and Harassment: What You Need to Know. Through the first presentation, Mr. Lynch provided an overview of the laws establishing ethical requirements, reviewed the District's policies in place regarding the subject matter and provided other sources of ethical rules.

At this time Commissioner Gordon requested Mr. Lynch pause his presentation to allow Mr. Oberlander to provide the Employee Check-In.

EMPLOYEE CHECK-IN

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

Mr. Oberlander reported he was most proud of how everyone at the District works together as a team, the reliability of the electric system and the efforts made to improve this over the years. He noted that because of the improvements done, when there is an outage, service can be restored quicker. He noted that his favorite part of the job is being able to identify problems and find solutions. Mr. Oberlander reported that a challenge during the pandemic was not having in person interaction with other staff. He noted that he has worked for the District for almost 35 years and enjoys his job and would not make any changes at the District.

Commissioner Gordon asked what safety improvements he has seen during his employment at the District. Mr. Oberlander reported that the District provides lots of safety trainings such as Automated External Defibrillators, Cardiopulmonary Resuscitation, in addition to the required trainings for linemen. He noted that currently all the safety trainings are conducted online, and he expressed that he would like to see in-person trainings instead.

Mr. Fuentes reported that as the Supervisory control and data acquisition (SCADA) Engineer, Mr. Oberlander configures and maintains the District's SCADA system which can operate substation switches eliminating the need to have an employee be physically at the site and noted this was a great safety improvement. Mr. Rhees and the Commission thanked Mr. Oberlander for his years of service to the District and expressed their appreciation of the knowledge and experience that he brings to the organization.

ETHICS AND HARASSMENT PRESENTATION/DISCUSSION CONTINUED

Mr. Lynch resumed and closed the discussion on the ethics and continued with the Harassment: What You Need to Know presentation. Mr. Lynch provided an overview of the types of sexual harassment, the definition of harassment, protected statutes, unacceptable conduct, and what types of behavior are considered harassing. He provided information on the liability to the District and individuals for not reporting and not investigating incidents of harassment. Mr. Lynch reviewed the District's policies and

reviewed the complaint process and best practices on reporting claims of harassment. He stressed that the District has an obligation to investigate all reports and to put a stop to the prohibited conduct. There were questions and discussion throughout the presentations.

The Commission thanked Mr. Lynch for attending and providing the presentations.

Commissioner Gordon called for a five-minute break to begin at 2:25 p.m. and end at 2:30 p.m. At 2:30 p.m., Commissioner Gordon ended the break and resumed the regular meeting.

COMMISSIONER REPORTS

Commissioner Nelson reported that:

- He participated in the PPC monthly meeting, and he noted there was discussion on transmission issues.
- He participated in the WPUDA monthly meeting, and he noted that the election of new officers was done.

Commissioner Wright reported that:

- He also attended the PPC and WPUDA meetings via the virtual options.

Commissioner Gordon noted he did not have a report and asked for clarification of NoaNet’s involvement in 911 emergency call services. Commissioner Wright provided the clarification.

CONSENT AGENDA

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

- 1) To approve the minutes of the March 28, 2023, Regular Commission meeting.
- 2) To approve payment of expenditures for March 2023 amounting to \$10,871,814.37 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:

Expenditure Type:	Amounts:
Direct Deposit Payroll – Umpqua Bank	\$ 477,723.17
Wire Transfers	7,310,443.14
Automated and Refund Vouchers (Checks)	1,846,289.16
Direct Deposits (EFTs)	1,238,257.01
Voids	(898.11)
Total:	\$10,871,814.37

- 3) To approve the Write Offs in substantially the amount listed on the April 2023 Write Off Report totaling \$5,698.79.
- 4) To declare final acceptance of the work completed as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of \$407.29 for work completed by Heritage Professional Landscaping under Contract 9665, Landscape Maintenance.

The Commission asked questions regarding the new House Bill that places a moratorium on utility shutoffs for inability to pay during a Weather Service heat-related warning or alert. Ms. Dohrman noted that staff is reviewing the moratorium and seeking clarification on the requirements for customer notification.

**AGENDA ITEM 7
DISTRICT 2022 FINANCIAL YEAR IN REVIEW PRESENTATION.**

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. Through a presentation, Ms. Dohrman reviewed the budget assumptions, revenue projections, operating budget, capital budget, year-end revenue, expenses, and capital projects for 2022.

There were questions and discussion throughout the presentation. The Commission asked for an update on the colocation expansion project and CT site land appraisal and staff provided the information. The Commission noted that the District was in a great financial position and thanked staff for their work.

Ms. Dohrman reported no action was required and she was reporting only.

**AGENDA ITEM 8
AUTHORIZING THE GENERAL MANGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF 115KV GANG OPERATED AIR BREAK SWITCHES.**

Mr. Fuentes introduced the agenda item and provided an updated Agenda Item Summary to the Commission. Mr. Fuentes reported that the project has been referred to as the Oregon Street substation, however because the site is actually on Railroad Avenue, staff will begin referencing the project as the Railroad Avenue Substation.

Mr. Fuentes reported that the District requested sealed bids from contractors for the purchase of 115kV Gang Operated Air Break Switches (GOAB) needed for the construction of the Railroad Avenue Substation and reported that the District received and evaluated three (3) bids:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Anixter/Cleveland	\$359,689	No
Carlson Sales/PASCOR	\$390,534	Yes
Royal Switchgear	\$370,110	No

The bid submitted by Royal Switchgear listed no exceptions however drawings provided showed mounting patterns and pad heights that did not meet the District specifications for the bid Line Items 2 and 3. They did however clarify that mounting patterns and pad heights can be accommodated to meet customer specifications. They also clarified that orders placed with delivery beyond the quoted lead times would be subject to a price escalation beyond 5%. The clarifications are acceptable to the District.

The bid submitted by Anixter/Cleveland listed no exceptions however the drawings provided showed mounting patterns and pad heights that did not meet the District specifications. Bid Line Item 1, vee break switch, was also significantly heavier than originally designed for by approximately 500 lbs., which will deflect the existing steel design by 0.5 inches. Lastly, the lead time was quoted at 60 weeks which would extend the current schedule by approximately 2 months. Anixter/Cleveland clarified that they would meet the District's mounting patterns and pad heights and confirmed the weight of the vee break switch. The District asked if the lead time could be shortened to 40 weeks to avoid adversely impacting the schedule and Anixter/Cleveland said it could not meet that lead time. After consulting with the District's Engineering Design consultant, a lead time of 60 weeks for these switches would mean a significant portion of the bus construction could not be completed until the switches arrive pushing the existing schedule out 2 months and delaying the customers need for essential services to be provided by the District. Furthermore, this schedule delay would increase mobilization costs from the construction contractors that would likely offset any cost savings realized today.

Mr. Fuentes reported that for these reasons staff was seeking authorization to find the bid by Anixter/Cleveland non-responsive and execute a contract with Royal Switchgear, the lowest responsive bidder, for the purchase of 115kV GOAB Switches in an amount not to exceed \$370,110. He noted that Mr. Iller had reviewed their recommendation. Commissioner Wright asked about the lead time specifications included in the bid document and Mr. Fuentes reported that the bid documents note that lead times are an important awarding factor.

The Commission asked Mr. Iller for his opinion on the matter and Mr. Iller requested the Commission enter into an executive session to further discuss.

A five-minute executive session was called at 3:03 p.m., to end at 3:08 p.m., as allowed per RCW 42.30.110 (i) "to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency".

At 3:08 p.m., Commissioner Gordon ended the executive session, and reconvened the regular meeting.

Staff recommended that the Commission authorize the General Manager/CEO or his designee to deem the bid by Anixter/Cleveland non-responsive and not responsible in the context of this particular bid due to the substantially longer delivery time, which would delay the entire project on which the

equipment is to be used and require a remobilization of the contractor that would increase the cost of the project substantially beyond the amount that would be saved by accepting the lower bid and execute a contract with Royal Switchgear, the lowest responsive bidder, for the purchase of 115kV GOAB Switches in an amount not to exceed \$370,110.

Commissioner Wright moved and Commissioner Nelson seconded to find Royal Switchgear the lowest responsive bidder and to authorize the General Manager/CEO or his designee to execute a contract with Royal Switchgear, the lowest responsive bidder, for the purchase of 115kV GOAB Switches in an amount not to exceed \$370,110. Staff requested the motion be amended to include finding the Anixter/Cleveland bid non-responsive and not-responsible due to the extended delivery time as had been discussed.

Commissioner Wright moved and Commissioner Nelson seconded to amend the motion to find Anixter/Cleveland non-responsive and not-responsible due to the substantially longer delivery time, which would delay the entire project on which the equipment is to be used and require a remobilization of the contractor that would increase the cost of the project substantially beyond the amount that would be saved by accepting the lower bid and to find Royal Switchgear the lowest responsive bidder and authorize the General Manager/CEO or his designee to execute a contract with Royal Switchgear, the lowest responsive bidder, for the purchase of 115kV GOAB Switches in an amount not to exceed \$370,110. The amended motion passed unanimously.

AGENDA ITEM 9, ADOPTING A RESOLUTION APPROVING AN EMPLOYEE RECOGNITION PROGRAM POLICY.

Mr. Rhees 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 expressed that it was important to document and memorialize this program in an official capacity.

Commissioner Nelson moved and Commissioner Wright seconded to adopt Resolution 1392 as presented. The motion passed unanimously.

CLAIMS

Mr. Fuentes reported that there was one claim to report on and noted that this was a claim from December 2021 that involved a garbage utility truck. He reported that the claim was denied by Federated when first submitted. He noted that the customer that was affected by this, has since retained legal counsel for damages incurred. He noted that staff is working with Federated to resolve the matter.

GENERAL MANAGER/CEO REPORT

Mr. Rhees reported that:

- The 2022-2023 Operating Plan update was included in the meeting packet.

- He continues to work with Big Bend Electric Cooperative for solutions on the Road 100 service area that borders both utilities. Discussions ensued about using Sandifer Parkway Street as an identified service area boundary. He reported that staff will bring an agreement to memorialize a service area exception for Commission approval to an upcoming meeting.
- The auditorium has not been made available for public use since the COVID-19 pandemic first began. He noted that his recommendation is to continue using the auditorium for internal use only. The Commission agreed with the General Manager/CEO's recommendation.
- The District has been a longtime member of the Columbia Snake River Irrigation Association (CSRIA). He noted that recently the CSRIA has published some views on breaching the dams without congressional approval which is contrary to the District's stance. He reported that staff will continue to monitor this, prior to renewing its membership with CSRIA. Commissioner Gordon requested staff notify CSRIA of the District's position to prior to membership budgets being finalized.
- He was grateful to have Ms. Dohrman attend in person. He noted her incredible work ethic and dedication to the District was admirable and shared a bit of her recent challenges.
- He shared that Port of Pasco Commissioner Jean Ryckman had recently interacted with two of the District's facilities employees. Ms. Ryckman called to share that they were highly motivated and friendly employees.

ASSISTANT GENERAL MANAGER REPORT

Ms. Dohrman reported that:

- The March monthly Key Performance Indicator (KPI) report was included in the meeting packet, and she reviewed it. The Commission asked questions on the power costs associated with being a block vs. slice customer and she provided the information.
- For her audit, she reported that she reviewed approved service boundary exemptions. She noted that all customers outside of the District's service boundary had service exception agreements in place.

SUPERVISOR OF EXECUTIVE ADMINISTRATION REPORT

Ms. Viera reported that:

- The Franklin County Historical Society will hold a ribbon cutting ceremony for their new annex building on Saturday, April 29, 2023, at 11 a.m. and she extended the invitation to the Commission.
- The District's engagements and impressions on social media continue to increase.
- The Public Affairs department is continuing to promote paperless billing on social media and on the District's website.
Mr. Rhees reported that over 1,000 customers have signed up for paperless billing since the District initiated the "Go Paperless" campaign.
- Staff participated in the Salmon Summit and Earth Day events, and she noted that both were well attended.
- Staff will participate in career day at Pasco High School on May 16, 2023.
- The April lineman appreciation social media campaign has had good public engagement.

- For her audit, she reviewed the District's Identity Theft Prevention Program Policy to ensure the current processes in place continue to be effective in the prevention of identity theft for District customers.
- The new Community Relations Coordinator has been with the District almost three months and introduced her. She noted that Ms. Palmus has been doing a great job with the District's social media posts and streamlining our website to make it more customer friendly.

OPERATIONS DIRECTOR REPORT

Mr. Ferraro reported that:

- The annual fire extinguishers inspections are currently underway.
- A hot water heater at Operations was found to be leaking during a routine inspection and he noted that it was replaced today.
- As a reminder, the biometric screening kits are due by May 1, 2023.
- Mark Miller from MissionSquare Retirement will be available for appointments today and tomorrow.
- There was a pole fire in Connell last Friday that was caused by birds building a nest.
- During a routine mechanic inspection, it was found that a swivel hook on a line truck was not working properly and was fixed. He noted that these inspections were important to maintain a safe work environment.
- For his audit, he reported that the District is mandated to test Commercial Driver's License holders randomly. He noted that four (4) random CDL tests were requested for the first quarter and were completed.

ENGINEERING DIRECTOR REPORT

Mr. Fuentes reported that:

- The Distribution Technician open position was filled by an internal candidate and noted that District's Cut in- Cut out Specialist Charlie Reyes will be assuming the position .
- The current Electric Service Requirements are being updated and noted that with Ms. Palmus is assisting with making the document more uniform with other District documents published on the website.
- He is in the process of updating the "Electric System Plan".
- Needed maintenance has been identified for a BPA transmission line on Court St. He noted that staff is working with BPA to ensure the maintenance is completed.
- For his audit, he reviewed the Net Metering capacity in relation to RCW 80.60 and noted the District's current net metering capacity is 6.32 MW or 96.8%. He reported that he will continue to monitor the capacity.

Mr. Rhees noted that Mr. Fuentes continues to work with Pasco School District on the expansion project for their new schools.

OUTSIDE GENERAL COUNSEL

Mr. Iller reported that he did not have any new information to report on.

CLOSING OF MEETING - ADJOURNMENT

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 3:57 p.m. The next regular meeting will be on May 23, 2023, at 1:00 p.m. and will be held at the District's Auditorium located at 1411 W. Clark St. Pasco, WA. Remote technology options will be provided for members of the public to participate.



William Gordon, President



Stuart Nelson, Vice President



Roger Wright, Secretary