

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

MINUTES OF THE MAY 10, 2022  
REGULAR COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County held a regular meeting at 1411 W. Clark St., Pasco, WA, on May 10, 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; 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 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 Katrina Fulton, Accounting Manager/Treasurer.

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. Fulton to lead the Pledge of Allegiance.

**PUBLIC COMMENT**

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

**EMPLOYEE MINUTE**

Commissioner Wright welcomed Ms. Fulton and noted that it was the intent of the Commission to hear from employees and check how they are doing. Commissioner Wright asked Ms. Fulton 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. Fulton reported that she was most proud of her staff and noted that they had adapted quickly to working remotely. She reported that the accounting department had begun transitioning to electronic processes prior to the pandemic and that had helped considerably. Commissioner Wright asked for a positive and negative about remote work and Ms. Fulton reported that productivity was higher working remotely as there were much less interruptions. She noted that connecting with staff was a challenge.

Ms. Fulton reported she enjoyed problem solving and analyzing data to gain efficiencies. Ms. Fulton noted that things to consider included the creating a robust employee training program. She noted that keeping employee's skills fresh was important.

The Commission thanked Ms. Fulton for attending and sharing her thoughts. Commissioner Wright extended a compliment to her accounting staff and noted they were a good group and provided great reporting.

### **COMMISSIONER REPORTS:**

Commissioner Nelson reported that:

- He attended the Pasco Chamber luncheon and noted that the Executive Director from the Port of Pasco had provided an update.
- He attended the monthly PPC meeting and noted it was an in-person meeting. He noted that no handouts were provided at the meeting as had been customary pre-COVID.

Commissioner Wright reported that:

- He attended a NoaNet workshop and noted there was discussion regarding retail authority, associated opportunities and the cost of pursuing retail authority.

Commissioner Nelson noted he appreciated Mr. Power's comments from the special meeting earlier. Commissioner Wright reported it was important to provide staff direction on the District's broadband. Commissioner Gordon agreed. Commissioner Wright noted that, in his opinion, it was important to not pursue retail authority until the District was fully equipped and ready.

Mr. Rhees reported that staff has applied for grant funding to help provide broadband services to the unserved and underserved areas. He noted he was optimistic in receiving some funding assistance. Mr. Rhees noted he had recently spoken with leadership staff from the City of Richland and discussed options in providing broadband services to them. Discussion ensued.

Commissioner Gordon reported that:

- He attended the Energy Northwest meeting and provided an update on the recent Executive Board elections.

### **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 April 26, 2022, Regular Commission Meeting.
- 2) To approve payment of expenditures for April 2022 amounting to \$7,934,932.01 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	\$ 476,996.68
Wire Transfers (Wires)	4,858,184.95
Automated and Refund Vouchers (Checks)	1,168,131.03
Direct Deposits (EFTs)	1,432,300.66
Voids	(681.31)
<b>Total:</b>	<b>\$ 7,934,932.01</b>

**AGENDA ITEM 7, PRESENTING A DISTRICT 2021 FINANCIAL YEAR IN REVIEW.**

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 provided a financial update. The presentation included information on the 2021 budget, the assumptions used for the 2021 budget, and the 2021 actuals. She noted that the information provided for the 2021 actuals was unaudited. There were questions and discussion throughout the presentation.

The Commission thanked staff for their work and noted the District had performed well financially. Commissioner Wright posed the idea of potentially giving a return to customers. Mr. Rhees noted that although the 2021 financial outcome was favorable it was much too early to decide on that matter. He noted that there were many uncertainties surrounding the true impacts of COVID and the current inflation rates. Commissioner Gordon agreed with Mr. Rhees.

Commissioner Wright noted that sharing the financial performance with customers would be beneficial to help customers understand how “their money” is being taken care of.

Commissioner Nelson asked for an update on the Pasco CT and Mr. Rhees noted that he was confident the transaction would be successfully completed.

Ms. Dohrman noted that no action was required, and she was presenting only.

**AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A PROPERTY AND LIABILITY INSURANCE POLICY RENEWAL WITH FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE.**

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 the District has carried a Property and Liability Insurance Policy with Federated Rural Electric Insurance Exchange (Federated) since 1985 to provide the needed coverages. She reported that the current coverage period expires May 31, 2022 and staff is in the process of finalizing the renewal of the District’s insurance policies and re-evaluating the coverages needed for the period of June 1, 2022 through May 31, 2023. She noted that the new coverage costs are estimated to be no more than \$325,000. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to authorize the General Manager or his designee to execute a Property and Liability Insurance Policy Renewal with Federated Rural Electric Insurance Exchange for the period of June 1, 2022 through May 31, 2023 in an amount not to exceed \$325,000. The motion passed unanimously.

**AGENDA ITEM 9, ADOPTING A RESOLUTION APPROVING A SALARY ADMINISTRATION PLAN FOR REGULAR NON-BARGAINING EMPLOYEES, EFFECTIVE MAY 16, 2022 AND SUPERSEDING RESOLUTION 1353 AND MOTION FROM JULY 27, 2021.**

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 Salary Administration Plan (SAP) provides the compensation structure and salary grades for non-bargaining employees of the District and was last revised in 2021.

Mr. Rhees reported that the SAP is reviewed annually to ensure appropriate compensation for regular non-bargaining positions and that positions are placed in the proper salary grade based on market survey data. Mr. Rhees reported that the review indicated that the SAP needs to be adjusted to keep in line with the market. He noted that the proposed SAP included title changes to current positions, and the addition/deletion of position titles. He reviewed Attachment A of the Agenda Item that showed the proposed changes.

Mr. Rhees noted that a compensation consultant would be brought in to complete a more in-depth analysis as had been requested, however; the changes being proposed were needed to ensure the District remains competitive and retains talent. The Commission concurred. Staff reviewed their recommendation.

Commissioner Gordon moved and Commissioner Nelson seconded to adopt Resolution 1373 as presented. The motion passed unanimously.

**AGENDA ITEM 10, PROVIDING AN UPDATE ON THE PANDEMIC EMERGENCY.**

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 reported on the PPC in person meeting and reported that despite all the safety precautions that were put in place, there had still been an exposure to the COVID virus. He noted that no action was needed and he was reporting only.

**CLAIMS**

Mr. Fuentes reported there was a new claim received. He noted that the claim was for damage allegedly caused by an overhead secondary cable being too tight to the customer's mast. Mr. Fuentes noted that the claim has been forwarded to Federated for final determination.



**GENERAL MANAGER REPORT:**

Mr. Rhees reported that:

- He attended the Northwest RiverPartners monthly meeting and noted that the status of the media campaign was discussed. He reported that the ads are being shown on streaming services and local channels. Staff shared the commercials with the Commission.
- Staff is working with WPUDA to obtain funding for customers with utility arrearages due to COVID. He noted that the legislature in the 2022 session allocated \$100 million for a utility customer assistance grant program.
- He had a brief discussion with Mr. Kevin Nordt from Grant PUD regarding the small modular reactor project and noted that staff will continue to pursue the matter to determine if the project is advantageous for the District. Discussion ensued.

**ASSISTANT GENERAL MANAGER REPORT:**

Ms. Dohrman report that:

- The March 2022 monthly financial report was included in the meeting packet and she reviewed the report.

**OPERATIONS DIRECTOR REPORT:**

Mr. Ferraro reported that:

- Progress continues with the smart meter deployment. He noted that the shipment of smart meters was received and staff was making significant progress. He reported that more than 19,500 smart meters have been installed. He noted the 23 customers have opted out of the smart meter installation.

**ENGINEERING DIRECTOR REPORT:**

Mr. Fuentes reported that:

- The Amazon, Reser's, Darigold, and Local Bounti projects continue to move forward and he provided an update on each.
- The District filled two System Engineer positions and noted that the candidates will begin their employment in June and July.

**SUPERVISOR OF EXECUTIVE ADMINISTRATION REPORT:**

Ms. Viera reported that:

- There are three meetings in June. She noted that a regular meeting is scheduled for June 14, along with a special and regular meeting on June 28.
- The candidate filling the Records Coordinator position will begin employment with the District on May 16.

**OUTSIDE GENERAL COUNSEL REPORT:**

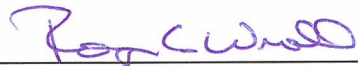
Mr. Iller reported that:

- He continues to work on the discovery for the case he is representing on behalf of the District. He noted he will review the information and contact staff as needed for any necessary action

Commissioner Wright reported that the General Manager's goals were finalized, and any changes submitted to Ms. Ransom were included. A copy of the goals were provided to the Commission for additional review and discussion. The Commission concurred with the goals presented.

**MEETING ADJOURNMENT**

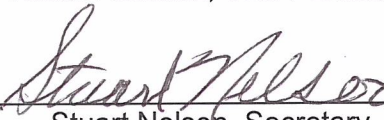
With no further business to come before the Commission, Commissioner Wright adjourned the regular meeting at 2:31 p.m. The next meeting will be a regular meeting on June 14, 2022 at 1:00 p.m. The meeting will be at the District's Auditorium located at 1411 W. Clark St. Pasco, WA. Remote technology options are also provided for members of the public to participate.



Roger Wright, President



William Gordon, Vice President



Stuart Nelson, Secretary