

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

MINUTES OF THE MAY 23, 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 May 23, 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 Shelly Olson, Records Coordinator; and AJ Fangman, Business Systems Analyst.

There were no members of the public participating in person or via remote technology for all or part of the meeting.

OPENING

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

PUBLIC COMMENT

There was no public participating in person, via the remote technology option or written public comment provided prior to the meeting.

EMPLOYEE CHECK-IN

Commissioner Gordon welcomed Mr. Fangman 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. Fangman was most proud of, favorite parts of his job, biggest challenge during the pandemic, and what change he would make at the District.

Mr. Fangman reported he has been employed with the District less than a year and was most proud that he is able to help his co-workers make their jobs easier. He noted that he is proud of the updates to the mapping and GIS database he has completed that help with efficiency for the

lineman in the field. He noted that it was important those systems are accurate. Mr. Fangman noted that he worked in the agriculture industry during most of the Covid-19 pandemic, however had contracted the virus on his second week of employment at the District. He noted a change that he would like to see at the District was a 4-day, 10-hour schedule. Mr. Fangman was asked about safety at the District, and he reported that he was newly elected to the administration building safety committee. He noted that the District takes safety very seriously especially at the Operations site. He noted that he would recommend ergonomic keyboards be used as they improve comfort and prevent injuries. Commissioner Wright noted that Mr. Fangman had some good points on the 4 day, 10-hour schedule and noted that the Commission would look into it further. The Commission thanked Mr. Fangman for attending and expressed appreciation that the GIS maps are current.

COMMISSIONER REPORTS

Commissioner Nelson reported that:

- He participated in the NWPPA Annual Conference in Anchorage, Alaska and noted there was discussion on hydrogen. He noted that the conference included some good meeting segments.
- He participated in the WPUA and PPC monthly meetings.

Commissioner Wright reported that:

- NoaNet will be relocating to another building due to safety concerns at the current location. He noted that NoaNet employees are now on the Washington State Public Employees Retirement System (PERS) and thanked the District for their support.
- He attended the WPUA Telecom meetings and reported that one of the speakers was very unprofessional. He noted that District was very successful with the broadband grant and noted that other utility districts had not been as successful. He expressed his appreciation to staff.

Commissioner Gordon reported that:

- He participated in the exit audit for compliance with the Energy Independence Act for the 2022 period. He noted the costs associated with these mandatory audits, and the costs in relation to the greenhouse gas legislation and conservation testing were very high. He reported that the audit had gone well, and the District was in compliance.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. Commissioner Gordon inquired on the number of customer refunds. Mr. Rhees provided a handout detailing customer refunds by month and noted the amount of refunds were nominal. The Commission also inquired about a Write Off involving a service club and staff provided the information.

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 April 25, 2023, Regular Commission meeting.
- 2) To approve payment of expenditures for April 2023 amounting to \$9,240,353.30 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO 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	\$ 483,844.05
Wire Transfers	5,567,596.18
Automated and Refund Vouchers (Checks)	1,542,723.16
Direct Deposits (EFTs)	1,646,242.47
Voids	(52.56)
Total:	\$ 9,240,353.30

- 3) To approve the Write Offs in substantially the amount listed on the May 2023 Write Off Report totaling \$6,432.03.
- 4) To declare final acceptance of the work completed and as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of \$41,546.50 for work completed by Magnum Power LLC under Contract No. 9368, Extension 3, Miscellaneous Dock Crew Projects.
- 5) To declare a final acceptance of the work completed and as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of \$8,234.33 for work completed by Apollo, Inc. under Limit Public Work Project No. 183, Broadband Doors and Access Controls.
- 6) To declare final acceptance of the work completed and as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of \$4,424.38 for work completed by Magnum Power LLC under Contract No. 9368, Extension 4, Miscellaneous Dock Crew Projects.

AGENDA ITEM 6, PURCHASING PROCESS REVIEW PRESENTATION.

Commissioner Gordon called on Ms. Dohrman for introduction of this agenda item. Through a presentation, Ms. Dohrman provided an overview of the District’s Purchasing Process. The presentation included how employees request purchases, supervisor responsibilities in the purchasing process, receiving, invoicing and payment processes.

There were questions and discussion throughout the presentation about how publications are

done, bids are received, tools and equipment is tracked. Ms. Dohrman reported that there is a separation of duties and more checks throughout the entire purchasing process.

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

AGENDA ITEM 7, AUTHORIZING THE GENERAL MANAGER/CEO 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 needed coverages. She reported that the current coverage period expires May 31, 2023 and reviewed Attachment A of the Agenda Item showing the coverages and cost of each. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to authorize the General Manager/CEO or his designee to execute a Property and Liability Insurance Policy Renewal with Federated Rural Electric Insurance Exchange for the period of June 1, 2023, through May 31, 2024, in an amount not to exceed \$357,002. The motion passed unanimously.

AGENDA ITEM 8, ADOPTING A RESOLUTION APPOINTING NICOLE KIRBY AS DEPUTY TREASURER FOR THE DISTRICT.

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the updated Agenda Item Summary included in the meeting packet. She noted that it was beneficial for the District to have a Deputy Treasurer to perform the duties of the Treasurer in their absence. There were questions on the history of these types of appointments. Staff provided the information.

The Commission expressed appreciation to staff for ensuring that the District has backups to ensure business continuity. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to adopt Resolution 1393 as presented. The motion passed unanimously.

AGENDA ITEM 9, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT AMENDMENT FOR TREE TRIMMING SERVICES WITH BOYD'S TREE SERVICES LLC, TO ADJUST PRICING TO REFLECT THE WAGES REQUIRED BY I.B.E.W. LOCAL 77.

Mr. Ferraro 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 current contract allows for prices to be adjusted to reflect labor wage increases per the I.B.E.W Local 77. He noted that the contract needs to be amended to reflect the increase in wages. He reported that the 3% increase would be \$4,900 and noted that because the contract payments are based

on hours worked the contract will remain a not to exceed amount of \$220,000. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager/CEO or his designee to execute a contract amendment for tree trimming services with Boyd's Tree Services LLC, to allow for the established prices to be adjusted to reflect the rate required by I.B.E.W. Local 77. The motion passed unanimously.

AGENDA ITEM 10, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONSTRUCTION WORKSPACE AGREEMENT WITH NORTHWEST PIPELINE LLC.

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 Northwest Pipeline LLC needs to complete upgrades to their facility that borders land owned by the District and an agreement granting them the right to use a portion of the District's to complete the maintenance. He noted that a similar contract was approved last year.

The Commission asked if Grays Harbor PUD is required to sign off on the agreement. Mr. Rhees reported that staff will notify Grays Harbor PUD. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager/CEO or his designee to execute the Construction Workspace Agreement for the District's portion with Northwest Pipeline LLC for the purpose of conducting upgrades to their facility. The motion passed unanimously.

AGENDA ITEM 10, ADOPTING A RESOLUTION AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A SANDIFUR PARKWAY EXTENSION SERVICE AREA EXCEPTION AGREEMENT WITH BIG BEND ELECTRIC COOPERATIVE.

Mr. Rhees introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that this agreement establishes the service area under which the District or Big Bend Electric Cooperative will provide service for the Sandifur Parkway Extension project He reported that Big Bend Cooperative has already signed the agreement. Staff reviewed their recommendation.

The Commission noted that the working relationship between the two entities has improved greatly. Mr. Rhees noted that Mr. John Francisco, Big Bend's Assistant General Manager has been great to work with and has helped establish a positive working relationship.

Commissioner Wright moved and Commissioner Nelson seconded to adopt Resolution 1394 as presented. The motion passed unanimously.

CLAIMS

Mr. Fuentes reported that there were two claims to report on both from the same incident occurring in May 2023. He reported that both claims were sent to Federated and denied.

GENERAL MANAGER/CEO REPORT

Mr. Rhees reported that:

- He continues to have discussions with Grays Harbor PUD on the purchase of the property at the CT site. He noted that the value of the property and the remediation costs are still being discussed. The Commission noted that District staff has done extensive work towards the liquidation of the assets at the site. Mr. Rhees reported that there is still a lot of work that needs to be done if the property is sold. Mr. Rhees noted that the final transformer has been sold and is being removed next month and reported that is the last asset of value at the site.
- There continues to be a legislative movement towards taking local control away from utility districts. He noted that mandates such as the proposed high ambient temperature worker rules and the moratorium on utility shutoffs during heat related warnings or alerts will affect public utilities. He reported that this can negatively affect the ability to restore service leaving the most vulnerable customers at risk. He noted that there is also proposed legislative to adopt income-based utility rates and reported that staff continues to follow this matter closely.
- Staff continues to work with the District's retail service providers. He requested the Broadband update scheduled for the June meeting be moved to the July or August meeting to allow staff time to evaluate the information. The Commission agreed to have the Broadband update at the July or August meeting at the latest.
- Several employees will be eligible to retire within the next five years, and the District is looking at cross training opportunities to lessen the vulnerability when seasoned employees leave the organization. Commissioner Wright noted that when long tenured employees leave the District much of the historical knowledge goes with them.

ASSISTANT GENERAL MANAGER REPORT

Ms. Dohrman reported that:

- The April monthly Key Performance Indicator (KPI) report was included in the meeting packet, and she reviewed it. The Commission asked questions on BPA, and she provided the information.
- In total, 1,400 customers have signed up for paperless and she noted that 26% of our customers are now on the paperless option.
- 186 applications were processed and \$33,400 has been awarded to District customers with arrearages during the pandemic from the Utility Assistance Program administered through the Department of Commerce.
- For her audit, she reported that she reviewed the District process for meter readings. The review ensured that no personal identifiable customer information was captured. She also reviewed the verification of the billing process.

The Commission asked about the net metering capacity limit and recommended that staff make known the determination whether to continue to offer net metering or not before the limit is met. Mr. Fuentes provided the information on the current net metering. Staff will review the recommendation.

OPERATIONS DIRECTOR REPORT

Mr. Ferraro reported that:

- He attended the Employee Insurance Advisory Committee meeting. He noted that this meeting was with the IBEW Local 77 and Central Washington Public Utilities staff to provide employees information on the benefits/insurance offered.
- Long term care insurance will be required starting July 1, 2023. He noted that employees will have to provide proof of a private policy or will be automatically enrolled in the state plan.
- Austin Richards, a new lineman began employment with the District on May 22, 2023.
- A coordinated outage occurred for the construction of the Numerica Credit Union building on Court St.
- The District is still waiting for the funds that were awarded for the Broadband grant.
- Staff continues to evaluate the colocation expansion project and is reviewing the estimated space that is needed.
- The annual required bucket truck and pole top rescue training was provided.
- For his audit, he reported that Ms. Viera and Ms. Olson provided District wide training on Customer Privacy and Public Records Requests. He noted that the training led to a review of personnel records kept at the Operations center and he reported that the records were relocated to a more appropriate location.

Commissioner Gordon inquired on the current bargaining contract and Mr. Ferraro provided information.

SUPERVISOR OF EXECUTIVE ADMINISTRATION REPORT

Ms. Viera reported that:

- A Customer Privacy and Public Requests training was provided to District employees. She noted that the employees were engaged in the training sessions and positive feedback was received.
- Staff participated in Career Day at Pasco High School. She noted that there was great feedback from the teachers. She reported that two students expressed interest in the industry and requested to have a ride along with linemen.
- The STEM Academy is scheduled for the end of June, and she reported on the number students that would be participating from the Tri-City area.
- For her audit, she reviewed and updated the Discrimination and Harassment policy per the recommendations provided from last month's training.

ENGINEERING DIRECTOR REPORT

Mr. Fuentes reported that:


- He would like to request the Commission meet on June 13, 2023. He noted that this would allow for staff to seek the authorization to purchase substation and transmission steel and reported this would be the only item on the agenda. The Commission agreed to meet June 13, 2023, for the regular commission meeting.
- The District is hosting a fire mitigation and advanced distribution protection seminar on May 24, 2023, in the Auditorium. He noted that surrounding utilities would be participating and noted that they would be reviewing industry standards and fire mitigation techniques.
- Staff continues to have discussions with Big Bend Electric Cooperative and BPA regarding the Vineyard tap and he provided a summary of the discussions.
- The mobile substation communications have been restored. He reported that staff will work towards using the mobile substation later in the year during system maintenance projects.
- For his audit, he reviewed our transformer inventory, pending orders and delivery times. He noted that delivery times had been extended for various purchases and reported on the continuing supply chain challenges.

OUTSIDE GENERAL COUNSEL

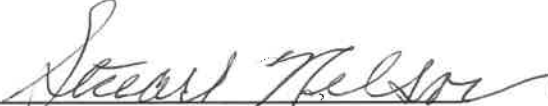
Mr. Iller reported that he did not have any new information to report on.

CLOSING OF MEETING - ADJOURNMENT

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 2:53 p.m. The next regular meeting will be on June 13, 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



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Roger Wright, Secretary