

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

MINUTES OF THE JUNE 14, 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 June 14, 2022, at 1:00 p.m. Remote technology options were also 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 Shelly Olson, Records Coordinator.

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 lead the Pledge of Allegiance.

PUBLIC COMMENT

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

COMMISSIONER REPORTS:

Commissioner Wright requested that the Commission forego their reports for this meeting and wait until the June 28 regular meeting. Commissioners Gordon and Nelson agreed.

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 May 10, 2022 Special Commission Meeting, and May 10, 2022 Regular Commission Meeting.
- 2) 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 \$151,130.14 for work completed by Power City Electric, Inc. under Contract 9761, Franklin Substation Refurbishment Phase 1.

AGENDA ITEM 6, AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF ADVANCED METERING INFRASTRUCTURE METERS.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. The Commission asked questions on the types and quantity of meters being purchased and Mr. Ferraro provided the information along with an update on the status of the deployment. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager or his designee to execute a contract with Carlson Sales Metering Solutions LLC, the lowest responsive bidder, for the purchase of class 320 advanced metering infrastructure meters, in an amount not to exceed \$233,280. The motion passed unanimously.

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

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He noted that two bids were received and evaluated:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Anixter/Wesco, Inc.	\$458,506.00	No
General Pacific	\$459,966.84	Yes

Mr. Fuentes reported that the bid submitted by General Pacific had technical exceptions that included providing an auto-jet switch in lieu of a mini-rupter, exposed fuses while in the open position, as well as an exception to the penalties for late delivery, which were acceptable to the District. Staff determined that the bid submitted by Anixter/Wesco Inc. was a responsive bid and within the District's estimate. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to authorize the General Manager or his designee to execute a contract with Anixter/Wesco Inc., the lowest responsive bidder, for the purchase of padmount switchgear in an amount not to exceed \$458,506.00. The motion passed unanimously.

AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE LABOR AND MATERIAL NEEDED TO FIRE GUARD POLES.

Mr. Fuentes introduced the agenda item and reviewed the background information and provided an updated Agenda Item Summary. He noted that two bids were received and reviewed:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
National Wood Treating Company	\$21,801.48	No
Pacific Pole Inspections	\$25,500.00	No

Staff determined that the bid submitted by National Wood Treating Company was a responsive bid and within the District's estimate of \$40,000. He noted that the bid was contingent to approval and review of the Washington State Emergency Management Division and the Federal Emergency Management Agency (FEMA), which was received earlier in the day.

Commissioner Gordon asked for more information on the treatment of the poles and Mr. Fuentes provided the information. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to find National Wood Treating Company the lowest responsive bidder and authorize the General Manager or his designee to execute a contract with National Wood Treating Company for the purchase of the labor and material needed to fire guard poles in high fire areas in an amount not to exceed \$21,801.48. The motion passed unanimously.

AGENDA ITEM 9, 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 noted that staff received and evaluated one (1) bid:

<u>Bidder</u>	<u>Amount</u>
Anixter/Wesco Inc.	\$218,800.

Staff determined that the bid submitted by Anixter/Wesco Inc. was a responsive bid and within the District's estimate. Commissioner Wright asked questions regarding the lead time for the cable, and the District's current supply on hand. Mr. Fuentes provided general information on inventory on hand and discussion ensued. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager or his designee to execute a contract with Anixter/Wesco Inc., the lowest responsive bidder, for the purchase of primary underground cable in an amount not to exceed \$218,800. The motion passed unanimously.

AGENDA ITEM 10, AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF SINGLE-PHASE TRANSFORMERS.

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He noted that staff needed additional time to complete the evaluation of the bids received and was requesting the Agenda Item be tabled until the June 28, regular meeting.

Commissioner Wright asked the matter be tabled and brought to the June 28 regular meeting and Commissioners Gordon and Nelson agreed.

AGENDA ITEM 11, AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF TWO (2) MEDIUM VOLTAGE POWER TRANSFORMERS.

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 these transformers will be needed for future substations. He noted that the bid requested a base bid for the purchase of one (1) transformer with the option to purchase up to four (4). Staff received and evaluated the following three (3) bids:

<u>Bidder</u>	<u>Unit Price</u>	<u>Exceptions</u>
Delta Star, Inc.	\$1,533,267	Yes
WEG Transformers USA	\$1,346,263	Yes
Howard Industries, Inc.	\$1,070,000	Yes

Mr. Fuentes reported that staff's evaluation had identified the following exceptions in the bids submitted:

- Delta Star Inc. had no technical exceptions but took exception to the escalation clause, which was acceptable to the District.
- WEG Transformers USA contained exceptions to the short circuit testing requirements, the physical requirements, tank manufacturer specifications, escalation clause, and other technical specifications.
- Howard Industries, Inc., contained no certification of their paint process as well as exceptions to the District's escalation clause.

Staff determined that Delta Star, Inc., submitted the lowest responsive bid and was within the District's estimate of \$1,900,000 per unit. Mr. Fuentes reported that staff's original recommendation was for the purchase of two (2) medium voltage power transformers in an amount not to exceed \$3,066,534. However, after discussions with the General Manager, staff was recommending that the Commission authorize the General Manager or his designee to execute a contract with Delta Star, Inc., for the purchase of four (4) medium voltage power transformers in an amount not to exceed \$6,133,068.

Commissioner Wright concurred with purchasing four (4) medium voltage power transformers, noting that given the long lead times and known shortages in materials this was a prudent purchase to make.

Commissioner Gordon asked for the explanation on the difference between the District's estimate and the bid pricing provided by the bidders. Mr. Fuentes reviewed the methodology used for estimating materials and noted that inflation was also a factor. He noted that pricing has increased significantly since the District purchased these types of transformers last fall. Mr. Fuentes noted that staff's recommendation was to authorize the General Manager or his designee to execute a contract with Delta Star, Inc., the lowest responsive bidder, for the purchase four (4) medium voltage power transformers in an amount not to exceed \$6,133,068, and find the bids submitted by WEG Transformers USA and Howard Industries, Inc., non-responsive.

Commissioner Wright moved and Commissioner Gordon seconded to find the bids submitted by WEG Transformers USA and Howard Industries, Inc., non-responsive and authorize the General Manager or his designee to execute a contract with Delta Star, Inc., the lowest responsive bidder, for the purchase four (4) medium voltage power transformers in an amount not to exceed \$6,133,068.

Commissioner Wright noted that completing an assessment of the District's inventory and purchasing material and equipment now would be beneficial. Mr. Rhees reported that staff is assessing inventory for all aspects of the District's business and purchasing the necessary material to ensure there are no delays for new service requests or for the completion of needed system maintenance/repairs.

GENERAL MANAGER REPORT:


Mr. Rhees reported that staff will hold their reports until the June 28 regular meeting.

CLOSING OF MEETING

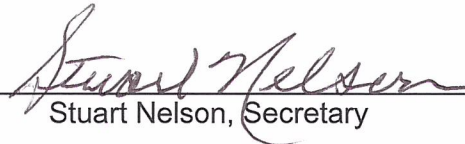
With no further business to come before the Commission, Commissioner Wright adjourned the regular meeting at 1:21 p.m. The next meeting will be a special meeting on June 28, 2022 for the purpose of hearing a presentation and receiving training on the Open Public Meetings Act and Public Records Act, at 10 a.m. The next regular meeting will be on June 28, 2022 at 1:00 p.m. Both meetings will be held at the District's Auditorium located at 1411 W. Clark St. Pasco, WA., with remote technology options provided for members of the public to participate.



Roger Wright, President



William Gordon, Vice President



Stuart Nelson, Secretary