

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

MINUTES OF THE JUNE 25, 2024
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 June 25 2024, at 8:30 a.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 Stu Nelson, President; Commissioner Roger Wright, Vice President; Commissioner Bill Gordon, Secretary; Scott Rhees, General Manager/CEO; Steve Ferraro, Assistant General Manager; Victor Fuentes, Engineering and Operations Senior Director; Katrina Fulton, Finance and Customer Service Director; Rosario Viera, Public Information Officer and Tyler Whitney, General Counsel.

There was no additional staff that participated in person or via remote technology for all or part of the meeting.

Public participating in person or via remote technology for all or part of the meeting was Mr. Pedro Torres, District customer.

OPENING

Commissioner Nelson called the meeting to order at 8:30 a.m. and Commissioner Wright led the Pledge of Allegiance.

PUBLIC COMMENT

Commissioner Nelson called for public comment and called on Mr. Torres for public comment. Mr. Torres noted he did not have public comment to provide.

EMPLOYEE MINUTE

Commissioner Nelson reported that Mr. Kostoff was not present, and he moved to Commissioner Reports.

COMMISSIONER REPORTS

Commissioner Wright reported that:

- He attended the monthly NoaNet meeting. He reported that NoaNet has completed its first bond proceeds draw which will be utilized for equipment needed for projects. He noted that NoaNet continues to perform well.

- He attended the monthly PPC Members Forum and reiterated how beneficial these meetings are. He noted he was concerned with BPA's outlook. Discussion ensued on BPA's outlook, staff and other matters related to BPA.
- He will participate in the July Commission meetings remotely.

Commissioner Gordon circled back to the BPA discussion and reported that he was disappointed the District's BPA Account Executive did not attend the Commission meetings regularly. He noted that attendance at the District's Commission meetings should be prioritized, and he reported that this was a poor example of BPA's commitment to its customers. Mr. Rhees reported that Mr. Rimmer was the District's Power Account Executive, however, transmission matters were assigned to Ms. Jennifer Miller. Commissioner Wright noted that the ability to attend virtually was available to the BPA representatives but was not utilized. There was general disappointment expressed in BPA staff's participation in the District's Commission meetings.

Commissioner Gordon reported that:

- He attended the American Public Power Association's (APPA) National Conference in San Diego and noted it was nice to see other District staff attending the conference. He reported that he was able to have a discussion on hydrogen power and noted it was critical to maintain the water rights associated with the Railroad Avenue Substation site. He requested staff ensure the water rights are in place and Commissioner Wright concurred with the request.

Commissioner Nelson reported that:

- He also attended the APPA National Conference and noted that there were speakers on artificial intelligence (AI). He noted that the matter was very complex, and it was important to ensure we had the proper policies in place before utilizing AI.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. Commissioner Wright reported he had questions on items on the write-offs and that staff had provided the information.

Commissioner Wright moved and Commissioner Gordon seconded to approve the Consent Agenda as follows. The motion passed unanimously.

- 1) To approve the minutes of the May 28, 2024 Regular Commission meeting and June 14, 2024 Special Commission Meeting.
- 2) To approve payment of expenditures for May 2024 amounting to \$11,207,940.16 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	\$ 781,396.87
Wire Transfers	5,490,330.32
Automated and Refund Vouchers (Checks)	1,944,676.19
Direct Deposits (EFTs)	2,991,536.78
VOIDS	(00.00)
Total:	\$ 11,207,940.16

3) To approve the Write Offs in substantially the amount listed on the June 2024 Write Off Report totaling \$6,622.39.

AGENDA ITEM 6, ADOPTING A RESOLUTION AUTHORIZING THE USE OF THE STATEWIDE SMALL WORKS ROSTER AND THE ABILITY TO UTILIZE DIRECT CONTRACTING.

Ms. Fulton introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She reported that in 2023, the Washington State Legislature passed Second Substitute House Bill 5268, modifying public works procurement and purchasing requirements for most state agencies and local governments. The modifications will be effective July 1, 2024 and were reviewed with the Commission at the May 28, 2024 meeting. She noted that staff was seeking authorization to utilize two changes that require authorization from the Commission:

1. A statewide Small Works Roster (SWR) which will be administered through the Municipal Research and Services Center (MRSC), and
2. direct contracting for small public works projects with an estimated cost under \$150,000, exclusive of Washington State Sales Tax.

She reported that adopting Resolution 1412 would authorize the use of the Statewide Small Works Roster and the ability to use direct contracting. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to adopt Resolution 1412 as presented. The motion passed unanimously.

AGENDA ITEM 7, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR LABOR, EQUIPMENT, AND MATERIAL NEEDED TO REMODEL THE CUSTOMER SERVICE LOBBY.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. There were questions on the drivers for the changes. Mr. Ferraro reported that the changes will improve the handicap entrance ensuring compliance with the American Disabilities Act and add safety features to the customer service lobby area. Staff showed schematics of the how the customer service area

would look after the changes are done and there was discussion on the changes and the number of bids received. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to authorize the General Manager/CEO or his designee to execute a contract with Siefken & Sons Construction Inc., the lowest responsive bidder, for the labor, equipment, and material needed to remodel the customer service lobby area in an amount not to exceed \$203,987. The motion passed unanimously.

AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A GRANT AGREEMENT WITH THE WASHINGTON STATE DEPARTMENT OF COMMERCE TO ADMINISTER THE WASHINGTON FAMILIES CLEAN ENERGY CREDITS GRANT PROGRAM.

Ms. Fulton introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She noted that staff has provided updates on this matter during staff reports and that in order to begin the process of administering the grant, the District must execute a grant agreement with the Department of Commerce to receive the allocated funding of approximately \$1.185 million.

She noted that staff has reviewed the proposed contract language and provided comments to the Department of Commerce for clarification. Ms. Fulton reported that staff has not received feedback on the comments provided however, given the timeline to distribute the grant funding staff is seeking authorization to execute the contract once the terms are agreed upon. She noted that having the authorization will allow staff to begin administering the program as soon as the contract is executed to allow for disbursement of as much of the grant funding as possible before the September 15, 2024 deadline. Staff reviewed their recommendation.

Commissioner Wright inquired about the involvement of Promise and Ms. Fulton reported that the District will self-administer the program. Mr. Rhees reported that District staff had been highly effective with the other funding received and noted that he was confident that funds would be disbursed effectively and efficiently.

Commissioner Wright requested staff keep the Commission informed on the communications related to the fund disbursements that will be provided to customers.

Commissioner Gordon moved and Commissioner Wright seconded to authorize the General Manager/CEO or his designee to execute a grant agreement with the Washington State Department of Commerce to administer the Washington Families Clean Energy Credits Grant Program. The motion passed unanimously.

GENERAL MANAGER/CEO REPORT

Mr. Rhees reported that:

- The Department of Interiors “Historic and Ongoing Impacts of Federal Dams on the Columbia River Basin Tribes” report was highly concerning. He noted that PPC has begun to draft a letter in response to the many concerns of the report. Discussion ensued on the report. Mr. Rhees reported that staff will continue to monitor this matter closely.
- The Request for Proposal for the capacity / load study will be going out soon. He noted that the study will focus on the impacts of what electrification will have in our service area. He reported that the Port of Pasco, City of Pasco, and other entities will assist with the funding of the study.
- He and Mr. John Francisco from Big Bend Electric Cooperative met with State Representative Stephanie Barnard. He noted that Representative Barnard was very receptive to helping resolve the transmission capacity issues in Franklin County. He noted that it was important to look at this matter not just as a Tri-Cities issue but look at Franklin County on its own.
- Darigold continues to move forward, and he reported that staff had provided a letter to Darigold representatives as was directed by the Commission. He noted that as of today there has not been any response from Darigold.
- The Safety BBQ event will be this Thursday, June 27 and he extended an invitation to the Commission. Commissioner Gordon reported he would not be able to attend.

FINANCE & CUSTOMER SERVICE DIRECTOR REPORT

Ms. Fulton reported that:

- The May 2024 Key Performance Indicators (KPIs) monthly report was included in the meeting packet, and she briefly reviewed slides within the report. Commissioner Gordon asked about the processing plant being offline and the Powerex deliveries. Ms. Fulton reported she would report on both matters at the next Commission meeting.
- Staff continues to participate in the Post 2028 BPA meetings and track the matter closely.
- In follow up to last month’s change in the Rules and Regulations for Electric Service, she provided information on what reasonable attempts means outside of normal process. She reported that the normal process includes two months of attempting to read the meter which results in bill estimation, after which an additional attempt to contact is made.
- She also attended the APPA National Conference and noted that she found it very valuable to be able to network and have sidebar conversations to learn what other utilities are doing to solve issues and challenges.
- WPUDA submitted the work group’s proposal regarding the Statewide Low-Income program to Commerce. She noted that Commerce should have comments on the design of program out by June 30. She noted that none have been received to date.

- District staff has been preparing for the Integrated Resource Plan (IRP) update. She noted that the District is required to conduct an update to the IRP every two years and refresh the full IRP every four years, which is the current project. She reported that the last update was in July 2022. She noted Resource Adequacy, District needs, available resources and other influencing factors have driven the process and that staff has practiced due diligence in driving the process. She reported that the IRP public hearing will be opened at the July regular meeting.

ASSISTANT GENERAL MANAGER REPORT

Mr. Ferraro reported that:

- The District currently has three positions open, and he reviewed them.
- In follow up to Commissioner Gordon's question regarding the \$13k line entry on the Capital Budget Status report, he reported that the expense was due to various claims that were paid out by the District.
- In follow up to Commissioner Wright's question regarding the communications being done for the fiber to the home project in Connell and Basin City, he reported that communication will be done via multiple avenues. He noted that there will be meetings with town officials, articles in the Franklin County Graphic newspaper, and possibly a bill insert, however the main advertising will be done by the Retail Service Providers.
- As Mr. Rhees reported the Safety BBQ is Thursday, June 27 from 11 a.m. to 1:30 p.m. in the downtown garage area.
- He noted that Mr. Kostoff was not able to attend the Commission meeting for the Employee Minute and that staff would reschedule him for another future meeting.

ENGINEERING & OPERATIONS SENIOR DIRECTOR REPORT

Mr. Fuentes reported that:

- There was a claim against the District, and he reported that a concrete padding had been damaged while a District vehicle entered a property. He noted that the claim was forwarded to Federated for review.
- He attended the BPA Tri-Cities Customer meeting held at Benton PUD on June 14. He noted that he stressed the importance of looking at Franklin County independent of the Tri-Cities and noted that all of the improvements being discussed are being implemented on the Benton County side. Discussion ensued.
- The Railroad Avenue Substation continues to make progress and he shared photos taken recently that showed the progress of the substation. He noted that the substation is nearing completion and should be completed by mid to late July.
- He attended the PPC Residential Exchange meeting and provided an update on the discussions from the meeting.
- He also attended the APPA National Conference and reported that there were several presentations on renewable energy, artificial intelligence, and electric vehicle charging stations.

PUBLIC INFORMATION OFFICER REPORT

Ms. Viera reported that:

- Staff participated in the Kidz Dig Rigz and City of Pasco’s Urban Revitalization Days and she provided an update on the events.
- Staff will be at the STEM academy this Thursday, and she reported on the activities the students will be participating in.

GENERAL COUNSEL REPORT

Mr. Whitney did have matters to report on and he requested an executive session as permitted by RCW 42.30.110(i) for the purpose of discussing with legal counsel current or potential litigation as allowed by RCW 42.30.110(i).

At 9:33 a.m., Commissioner Nelson called for a five-minute break and noted it will be followed immediately by a five-minute executive session that would end at 9:43 a.m. for the purpose of discussing with legal counsel current or potential litigation as allowed by RCW 42.30.110(i).

At 9:38 a.m., Commissioner Nelson ended the break and reconvened the regular meeting and immediately went into an executive session for the purpose of discussing with legal counsel current or potential litigation as allowed by RCW 42.30.110(i).

At 9:43 a.m., Commissioner Nelson ended the executive session and reconvened the regular meeting.

CLOSING OF MEETING – ADJOURNMENT

With no further business to come before the Commission, Commissioner Nelson adjourned the regular meeting at 9:43 a.m. The next regular meeting will be July 23, 2024, and begin at 8:30 a.m. at the District’s Auditorium located at 1411 W. Clark Street, Pasco, WA. Remote technology options will be provided for members of the public to participate.



Stuart Nelson, President



Roger Wright, Vice President

William Gordon, Secretary