

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

MINUTES OF THE JUNE 27, 2023
REGULAR COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington held a regular meeting in participation with the Board of Commissioners of Grays Harbor Public Utility District No. 1, at 1411 W. Clark St., Pasco, WA, on June 27, 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, Brian Iller, outside General Counsel and Rosario Viera, Supervisor of Executive Administration.

Those who participated from Grays Harbor Public Utility District No. 1, via remote technology for the joint part of the meeting, were Commissioner Arie Callaghan; Commissioner Jon Martin; Commissioner Dave Timmons; Schuyler Burkhart, General Manager; Angel Rains, General Counsel; Tiffanee Parson, Clerk to the Board/Contract Administrator and Kathryn Skolrood, Finance Director.

Additional staff that participated in person or via remote technology for all or part of the meeting were Shelly Olson, Records Coordinator and Amy Valencia, Energy Programs Representative.

Public participating in person or via remote technology for all or part of the meeting was Ward Ritola, DJ's Electrical and William Rimmer, Bonneville Power Administration (BPA), Account Executive.

OPENING

Commissioner Gordon called the regular meeting to order at 1:00 p.m. and called on Mr. Fuentes to lead the Pledge of Allegiance. Commissioner Gordon welcomed those participating in the meeting. On behalf of Grays Harbor PUD, Commissioner President Callaghan opened their special meeting.

PUBLIC COMMENT

On behalf of the District, Commissioner Gordon called for public comment and there was none.

No written public comment was received prior to the meeting. On behalf of Grays Harbor PUD, Commissioner President Callaghan called for public comment and none was received.

Commissioner Gordon called for introductions and staff from both the District and Grays Harbor PUD provided them.

At 1:03 p.m. Commissioner Gordon called for a joint executive session with Grays Harbor PUD to begin immediately and end at 1:25 p.m., as allowed per RCW 42.30.110(1)(b) and (c) *to consider the acquisition and/or sale of real estate where public knowledge of such considerations would likely impact pricing*. At 1:25 p.m., Commissioner Gordon called for an additional 20-minutes and extended the executive session to end at 1:50 p.m.

At 1:43 p.m., the District and Grays Harbor PUD concluded the joint portion of the executive session. The District continued in executive session as allowed by RCW 42.30.110(1)(b) and (c).

At 1:50 p.m., Commissioner Gordon ended the executive session and reconvened the regular meeting.

EMPLOYEE CHECK-IN

Commissioner Gordon welcomed Ms. Valencia 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 Ms. Valencia was most proud of, favorite parts of her job, biggest challenge, and what change she would make at the District.

Ms. Valencia reported she is most proud of how the District is focused on its mission statement and the needs of its customers, and noted she was grateful to be a part of the District. Ms. Valencia reported that her favorite part of her job was connecting with customers and providing them information on the District's weatherization programs. She noted that her biggest challenge during the pandemic was the social aspect of not seeing her co-workers. Ms. Valencia reported that a change she would like to see would be the translation of the District's website and ensuring all District publications are available in Spanish. Ms. Viera reported that staff is in the process of gathering statistical data on what information District customers are accessing on our website. That data will help prioritize the information to be translated. The Commission thanked Ms. Valencia for attending and noted they appreciated her work at the District.

COMMISSIONER REPORTS

Commissioner Wright reported that:

- Noanet will have a strategic planning meeting later this week and he will be attending.

- He attended the American Public Power Association (APPA) National Conference in Seattle and noted that there were good sessions on cyber security, broadband, utility finances and electric vehicles. He noted the conference in general was very good.

Commissioner Nelson reported that:

- He also attended the APPA National Conference. He concurred with Commissioner Wright that there were good breakout sessions.
- He attended a congressional hearing intended to defend the four Lower Snake River dams in Richland and noted that it was well attended.

Commissioner Gordon reported that:

- He also attended the APPA National Conference. He noted that the cyber security session was eye opening. On a personal note, he expressed his frustration with tracking multiple passwords. Ms. Dohrman reported that the District is looking at new software that will assist in password management.
- He attended a Roast and Toast event in honor of Sid Morrison at the Yakima County Fairgrounds. He noted that the event was well attended.
- He also attended the Lower Snake River dams congressional hearing in Richland and noted various members of the State and local government were in attendance, including Representative Mark Klicker who was appointed to serve on the House Environment & Energy Committee.

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 June 13, 2023, Regular Commission meeting.
- 2) To approve payment of expenditures for May 2023 amounting to \$8,330,752.22 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	\$ 477,881.50
Wire Transfers	5,815,612.06
Automated and Refund Vouchers (Checks)	1,128,193.47
Direct Deposits (EFTs)	911,545.50
Voids	(2,480.31)
Total:	\$ 8,330,752.22

- 3) To approve the Write Offs in substantially the amount listed on the June 2023 Write Off Report totaling \$7,036.26.

BPA ACCOUNT EXECUTIVE UPDATE

Commissioner Gordon welcomed Mr. Rimmer and requested an update on BPA matters. Mr. Rimmer noted he was pleased to see the District looking into password protection software. He noted how critical it is to maintain unique passwords for all websites and shared some of his personal knowledge on cybersecurity. Mr. Rimmer reported that BPA will be holding public meetings regarding the new markets that BPA could join in the future and help manage customer expectations. He noted that in mid-July BPA will have a provider of choice draft policy available. Discussion ensued.

Mr. Rimmer expressed his gratitude to the Commission for having the Employee Check In. He noted that it is rare that employees are allowed to address management and be honest about their passions and their views of the organization. The Commission thanked Mr. Rimmer for attending and providing an update.

AGENDA ITEM 6, DISTRICT INVENTORY UPDATE PRESENTATION

Commissioner Gordon called on Mr. Fuentes. Through a presentation, Mr. Fuentes provided an update on the District's inventory. The presentation included information on how the District determines inventory needs, current lead times and the price increases on materials over the past several years. He reported on the purchase history and current inventory of transformers, switchgear, cable, and other materials. There were questions and discussion during the presentation. Mr. Fuentes noted there was no action required and that he was presenting only.

AGENDA ITEM 7, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF GALVANIZED STEEL TRANSMISSION POLES.

Mr. Fuentes introduced the agenda item and reported that the District requested sealed bids for the purchase of galvanized steel transmission poles. He provided an updated Agenda Item Summary with updated bid information. He reported that staff received four (4) bids:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
MVA Power	\$172,216	No
Rohn Products	\$319,600	No
Klute Steel Inc.	\$339,926	No
Meyer	\$378,288	Yes

He noted that the bids submitted by Rohn Products, Klute Steel Inc., and Meyer all exceeded the District's bid estimate and therefore were not evaluated.

He reported that the bid submitted by MVA Power had no exceptions and was within the District's bid estimate. He noted that MVA Power's manufacturing facility is located overseas in China and that the poles would be shipped by sea in shipping containers. He reported that under the General Instructions of the bid form in section 21, the District has a "Right to Inspect" clause which gives the District the option to hire an inspector to witness factory testing and/or perform quality assurance tests to ensure the poles meet specifications. He noted that there is also language that allows the District to reject bids if the manufacturing facility is located in a country that has had a travel advisory issued by the U.S. Department of State within the past 24 months, which China falls under.

As part of the bid review process, staff checked the references provided by MVA Power, which included Douglas County PUD, and received favorable feedback. Mr. Fuentes noted that concerns regarding steel quality can be mitigated by hiring a quality insurance inspector of which staff intends to do. Staff determined that the bid submitted by MVA Power was a responsive bid and within the District's estimate. Staff reviewed their recommendation.

The Commission asked questions on the inspection process and staff provided answers.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager/CEO or his designee to execute a contract with MVA Power, the lowest responsive bidder, for the purchase of galvanized steel transmission Poles in an amount not to exceed \$172,216. The motion passed unanimously.

AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE AN INTERLOCAL COOPERATIVE AGREEMENT BETWEEN THE DISTRICT AND OMNIA PARTNERS.

Mr. Ferraro 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 Nelson moved and Commissioner Wright seconded to authorize the General Manager/CEO or his designee to execute an Interlocal Agreement with OMNIA for procurement of goods and services through the use of the cooperative purchasing contracts. The motion passed unanimously.

AGENDA ITEM 9, ADOPTING A RESOLUTION AMENDING THE POLICIES AND PROCEDURES FOR RISK MANAGEMENT AND TRADING OPERATIONS AND SUPERSEDING RESOLUTION 1376.

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She reviewed the driver for changes being proposed to the Policies and Procedures for Risk Management and Trading Operations (Policy #49). Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to adopt Resolution 1395 as presented. The motion passed unanimously.

AGENDA ITEM 10, AUTHORIZING REVISED LANGUAGE FROM RCW 54.16.285 REQUIREMENTS IN VARIOUS CUSTOMER FACING ADMINISTRATIVE DOCUMENTS.

Ms. Dohrman 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 moved and Commissioner Nelson seconded to authorize the General Manager/CEO to revise the language in various customer facing administrative documents to reflect the changes in RCW 54.16.285. The motion passed unanimously.

CLAIMS

Mr. Fuentes reported that there was potentially one new claim to report. He reported that the claim was received electronically, and the RCW requires all claims be submitted in writing. He noted that as of today, the written claim has not been received. He noted that he will update the Commission with any new developments on the claim.

GENERAL MANAGER/CEO REPORT

Mr. Rhees reported that:

- The District was awarded a broadband grant to provided services in the Connell and Basin City area.
- He provided an update on the Small Modular Reactors feasibility study and noted that pricing has increased since the initial proposal, but the study is moving forward.
- Rich Sargent, Power Manager has provided notice of his intent to retire. He noted that the position has been posted.
- During the Employee Check In, various employees have noted that they would like to see a 4-days X 10 hours (4x10) work schedule be implemented. He proposed a 30-day trial for a 4X10 schedule for customer service. He reported that customer service would be on a split schedule to provide coverage Monday through Friday and noted that lobby hours would be extended to 7:30 a.m. to 5:30 p.m.

Commissioner Wright noted his concerns with a 4x10 schedule and reported that customers may get use to the extended hours and make it difficult to resume regular hours if the trial was unsuccessful. Other concerns regarding productivity and having appropriate management coverage were discussed. Commissioner Wright reported that he would like to support employees but reiterated his concerns. Commissioner Gordon

requested that staff report back to the Commission at the next meeting to provide more information on the concerns expressed today and look at the impacts of a Tuesday through Friday schedule.

ASSISTANT GENERAL MANAGER REPORT

Ms. Dohrman reported that:

- The May 2023 monthly Key Performance Indicator (KPI) report was included in the meeting packet, and she reviewed it.
- 455 applications for assistance were processed and nearly \$80k was awarded to District customers with arrearages during the pandemic from the Utility Assistance Program administered through the Department of Commerce.
- The number of customers signing up for paperless billing continues to increase.
- For her audit, she reported that she reviewed the District's printer and copier costs. She noted that some printers were identified that are not in use and staff will evaluate if those printers can be removed and provide cost savings to the District.

OPERATIONS DIRECTOR REPORT

Mr. Ferraro reported that:

- The new reader board is working.
- The maintenance staff is doing a great job with the landscaping maintenance. He noted that needed repairs have been completed and expressed that staff has done a great job cleaning the Broadmoor and Ruby substations.
- The WA CARES Fund program for long term care goes into effect on July 1, 2023 and noted that employees that have not been approved by the state for a premium exemption will be automatically enrolled in the state plan.
- He attended a labor management meeting and provided a brief update.
- Hands on fire extinguisher training was provided to all District employees and noted the training was well attended.
- The meter shop received a partial shipment of smart meters and noted the remaining shipment is expected to arrive later this week. He noted that the deployment of smart meters was on target for completion by late July.
- The Command Center system which tracks the smart meter installations and other information has been moved to a hosting system.

Commissioner Gordon asked what type of data was being obtained and utilized from the smart meters and Mr. Ferraro provided the information. There was discussion on the data received. Staff noted that the data is intended to help customers learn more about their energy use and monitor for efficiency. Commissioner Gordon cautioned on obtaining too much information and requested that the data be captured on an as needed basis. Commissioner Wright reported it was important to have a clear understanding of

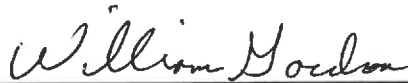
OUTSIDE GENERAL COUNSEL

Mr. Iller reported that:

- The depositions will begin in July for the litigation he is assisting the District with.

CLOSING OF MEETING - ADJOURNMENT

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 3:51 p.m. The next regular meeting will be on July 25, 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

Verified by signNow
07/29/2023 03:09:27 UTC
8642b248fe0340349eaa

Roger Wright, Secretary