

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

MINUTES OF THE JUNE 28, 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 28, 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.

Mr. Rob Davis, District customer, attended the meeting in-person. There were no other members of the public participating 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. Borchers to lead the Pledge of Allegiance.

PUBLIC COMMENT

There was no public participating via the remote technology option. Commissioner Wright called for public comment and Mr. Davis noted he wanted to observe the Commission meeting and did not have public comment at this time.

EMPLOYEE MINUTE

Commissioner Wright welcomed Ms. Borchers and noted that it was the intent of the Commission to hear from employees and check how they are doing. Commissioner Wright asked Ms. Borchers 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. Commissioner Wright expressed appreciation to Ms. Borchers for her staff and the work they do for the District.

Ms. Borchers reported she enjoyed being able to help customers, especially out of tough situations. She noted her biggest challenge has been the constant state of change, mainly brought on by the pandemic. She noted another challenge has been the implementation of the smart meter infrastructure and ensuring processes are updated. The Commission asked various questions on the smart meter installation, specifically the use of the payment kiosks when

customers need to make payments for service reconnections and Ms. Borchers provided the information.

She noted that she would like to have the policy review process include more employee involvement to ensure there are no hang ups.

Mr. Rhees also expressed appreciation for the great work customer service staff is doing and noted they have done a great job assisting customers.

Mr. Rhees reported that staff had received public comment via mail and Commissioner Wright noted the Commission would address it during Mr. Rhees' General Manager's report.

COMMISSIONER REPORTS:

Commissioner Gordon reported that:

- He recently traveled overseas and shared information on some of the sites he visited.

Commissioner Nelson reported that:

- He attended the APPA National Conference in Nashville and was able to attend some of the breakout sessions. He noted that one of the sessions provided information on conducting effective evaluations of the Chief Executive Officer or General Manager.

Commissioner Wright reported that:

- He attended the NoaNet monthly meeting and noted that the new CEO is doing well. He reported that NoaNet will be moving their office headquarters.

CONSENT AGENDA:

The Commission reviewed the Consent Agenda. Commissioner Nelson asked a question on a vehicle repair listed on the warrant register and Mr. Ferraro noted he would look into it and provide the information.

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 June 14, 2022, Regular Commission Meeting.
- 2) To approve payment of expenditures for May 2022 amounting to \$10,240,017.01 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:

Expenditure Type:	Amounts:
Direct Deposit Payroll Umpqua Bank	\$ 489,228.96
Wire Transfers (Wires)	5,816,642.64

Automated and Refund Vouchers (Checks)	1,571,895.37
Direct Deposits (EFTs)	2,362,250.04
Voids	(00.00)
Total:	\$ 10,240,017.01

- 3) To approve the Write Offs as listed on the June 2022, Write Off Report in the amount of \$9,647.66.

AGENDA ITEM 7, ADOPTING A RESOLUTION APPROVING REVISED RULES AND REGULATIONS FOR ELECTRIC SERVICE AND SUPERSEDING RESOLUTION 1355.

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet.

Ms. Dohrman walked through the proposed changes of the Rules and Regulations for Electric Service (Rules and Regulations) as shown on Attachment A of the Agenda Item and provided general information for changes on the following sections: temporary service, under-utilized equipment, opt-out of advance meters, and remote disconnect and reconnect.

Ms. Dohrman reviewed the new “Pay As You Go” section in more detail. She noted other minor housekeeping changes were included in the Rules and Regulations. The Commission asked questions regarding how customers would be notified when their account balance was low, how reconnections would be done, and staff provided the information.

Commissioner Wright noted that the Opt-Out of Advanced Meter section did not make it clear that District access to the meter was required and needed to be clarified. Ms. Dohrman and Ms. Viera reported that the language Commissioner Wright was referring to was listed in other sections within the Rules and Regulations. Discussion ensued. The Commission requested staff add a footer reference of “See Section 7, B. Accessibility and Section 8, C. Meter Reading” to the Opt-Out of Advanced Meter section. Staff recommended the Commission adopt Resolution 1374, with the administrative changes to Exhibit A of the Resolution as discussed today.

Commissioner Gordon moved and Commissioner Nelson seconded to adopt Resolution 1374, with the administrative changes to Exhibit A of the Resolution as discussed. The motion passed unanimously.

AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF AN UNDERGROUND WIRE/CABLE PULLER.

Mr. Ferraro introduced the agenda item and reported that the District requested bids to furnish an underground wire/cable puller that will be used by District crews to pull cable through underground conduit for distribution jobs. He provided an updated Agenda Item Summary with the bid information. He reported that staff received and evaluated one (1) bid:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Sherman + Reilly, Inc.	\$207,188.15	No

Mr. Ferraro reported that staff determined that the bid submitted by Sherman + Reilly, Inc. was a responsive bid, and within 15% of the District's estimate of \$185,000. He noted that the 2022 Capital Budget included a total of \$200,000 for the underground wire/cable puller. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Gordon seconded to authorize the General Manager or his designee to execute a contract with Sherman + Reilly, Inc., the lowest responsive bidder, for the purchase of an underground cable puller in an amount not to exceed \$207,188.15. The motion passed unanimously.

AGENDA ITEM 9, REJECTING ALL BIDS RECEIVED TO FURNISH SINGLE PHASE TRANSFORMERS ON BID DOCUMENT 10065 AND AUTHORIZING RE-ADVERTISEMENT OF THE BID.

Mr. Fuentes introduced the agenda item and reported this matter had been tabled at the June 14, 2022, Commission meeting until today. He reviewed the background information as listed on the Agenda Item Summary.

Mr. Fuentes reported that in May 2022, the District requested sealed bids from contractors for the purchase of 215 single phase transformers of various sizes that are required to meet the District's needs. The bids were opened on Wednesday, June 8, 2022, with the intent of bringing forth the successful bidder to the June 14, 2022, regular meeting for Commission authorization. Staff had received and evaluated one (1) bid:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Anixter/Wesco, Inc.	\$1,215,310	Yes, (Non-Responsive)

He noted that at the June 14, 2022, regular meeting staff reported that additional time was needed to complete the evaluation and the matter was tabled. Mr. Fuentes reported that staff's initial evaluation determined that the bid submitted by Anixter/Wesco, Inc. had technical exceptions that included using the Institute of Electrical and Electronics Engineers (IEEE) standards instead of the American National Standards Institute (ANSI) standards for unit design, short circuit current, impedance, nameplate style, and not providing undercoating.

Mr. Fuentes noted that the bid was missing key information to fully evaluate if the bid met the District's specifications. The missing information included the description of the core, testing requirements, required users list, information on the quality assurance program, design tests, and the description for the paint on the inside of the tank. Staff recommended that the Commission reject all bids received and authorize staff to re-advertise to purchase single phase transformers as per RCW 54.04.080.

Commissioner Gordon moved and Commissioner Nelson seconded to reject all bids received for Bid Document 10065 and authorize staff to re-advertise to purchase single phase transformers. The motion passed unanimously.

AGENDA ITEM 10, PROVIDING A PANDEMIC UPDATE

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 staff continues to watch the aging accounts receivables. He reported that inflation will begin to change consumer habits

and ultimately force them to decide between paying for utilities and everyday necessities. He noted that staff is actively trying to provide a solution to mitigate the impacts to the District.

He reported on the number of days employees were unable to report to work due to possible exposure to or having COVID-19. He noted that having the remote work policy in place had allowed many of the employees to work from home. The Commission noted that COVID-19 cases were on the rise again and appreciated that Mr. Rhees was still implementing stringent protocols to keep employees healthy. There was general discussion on inflation and the long lead times for materials, and other supply chain issues. Mr. Rhees noted no action was necessary and he was reporting only.

CLAIMS

Mr. Fuentes reported there were three new claims since the last Commission meeting. He provided general information on each. He noted that one claim had been handled internally, one claim had been processed and denied by Federated and one is still pending final determination.

PUBLIC COMMENT, continued:

Commissioner Wright asked Mr. Davis if he had any questions or wanted to provide any comments on the meeting proceedings he had observed so far.

Mr. Davis provided brief background information of himself. He noted that there was Environmental Protection Agency (EPA) grant funds that the District may qualify for. He noted that he would be happy to provide additional information to staff. Commissioner Wright noted that Ms. Dohrman would investigate the EPA grant funding available.

Mr. Davis also reported that he had concerns with the automated disconnect and reconnect of electric service for homeowners. He noted that a notification to the homeowner prior to reconnecting service was needed. Commissioner Wright reported that notifications to each homeowner before service is restored is normally not part of the process. He noted that past practice does not include providing notification when a service is restored after an outage or when being reconnected after payment has been made. The Commission noted that remotely reconnecting and disconnecting service is a change and that it will be monitored. The Commission thanked Mr. Davis for attending and providing comment.

GENERAL MANAGER REPORT:

Mr. Rhees reported that:

- In follow up to the public comment received via mail, a copy of the letter was provided to the Commission. Mr. Rhees noted that the customer was requesting the opt out set up and monthly reoccurring fees be waived. There was general discussion on the opt out fees and associated costs the fees cover. The Commission noted it was important to make the customer aware that the Washington Utilities and Transportation Commission regulates private, investor-owned electric and natural gas utilities in Washington and not public utility districts and provide information on the opt out fees from neighboring utilities. The Commission reiterated the importance of having the fees in place and requested staff to reply to the customer accordingly based on the discussion at the meeting.

- The weeklong Vulnerability of Integrated Security Analysis (VISA) workshop had gone very well. He noted that the VISA workshop was well attended by members of other entities and District staff was able to build good working relationships. He shared some of the findings from the VISA workshop and noted that staff will begin implementing some improvements to various substations.
- He and other staff continue to meet with the Darigold team in effort to finalize the service agreement.
- The customer service lobby area is being evaluated to find ways to enhance security for employees and customers.
- A response was drafted and submitted as part of the public comment on the Murray-Inslee Lower Snake River Dams Benefit Replacement Report.
- A letter was sent to BPA regarding the potential impacts to the District from contract changes of other utilities desiring to become load following customers and he provided a copy to the Commission.

ASSISTANT GENERAL MANAGER REPORT:

Ms. Dohrman reported that:

- The meeting packet included the May 2022 monthly financial reports and she reviewed them.
- For her audit, she noted that it was a joint effort with Mr. Ferraro. She reported that as meters are being exchanged the data in the system is reviewed. Ms. Dohrman reported that at the time of the implementation of the NISC system a lot of meter information was missing and noted that the information for the newly installed meters is being reviewed for completeness and accuracy. She reported that the intent is to have accurate and consistent information for all meters. She reported that moving forward this information will be valuable to the District in helping find efficiencies in processes and better reporting. There was brief discussion on the process for verification of the meter locations
- The May 2022 Key Performance Indicators report was included in the meeting packet.
- The annual financial and accountability audit was completed, and she noted that the District had a clean audit, and no issues were identified.

ENGINEERING DIRECTOR REPORT:

Mr. Fuentes reported that:

- The Amazon warehouses are progressing, and he reported on the new tentative service turn up date. Commissioner Wright asked if the District's part in the process had caused any delays in service and Mr. Fuentes noted that the District has completed its part as timely as possible. Commissioner Wright reported that there is misinformation being reported that the District caused a delay, and it was important to provide services promptly. Mr. Fuentes reported this was not the case and noted that he will follow up with the Amazon contractor to ensure services are not lacking and address the misinformation. Mr. Rhees reported that in meeting with other local agencies that are also working on this project, it has been stated that there have been issues with the contractor obtaining the needed equipment and supplies for the project and causing delays.
- Staff will begin interviews with consulting firms for the engineering design work needed for the substation to service the Reimann Industrial Park.

- The Franklin Substation Phase 2 Project is underway and noted that a pre-bid walk thru of the site is scheduled. He noted staff will bring the bids for Commission authorization to the July 26, 2022, regular meeting.
- A new System Engineer began employment June 1st. He noted that interviews were conducted for another System Engineer position and that an offer has been extended.
- For his audit, he reported that he reviewed the miscellaneous services budget. He noted that he was able to identify items that were coded incorrectly and will have them moved. He reported that the budget will still be slightly over due to the BPA study that was recently completed.

OPERATIONS DIRECTOR REPORT:

Mr. Ferraro reported that:

- In follow up to Commissioner Nelson's inquiry of the expense on the warrant register, he noted the expense was for the District's locate truck. He provided information on the work done to the truck.
- The field and customer service group employees had been provided de-escalation training from the City of Pasco Police Department (Pasco PD). He noted that the Pasco PD had done a great job and employees were very appreciative of the training.
- The smart meter deployment continues to make progress and noted that over 30K smart meters have been installed. He attributed the deployment progress to employee's hard work.
- There were a few outages and he provided general information on some of the larger outages.
- Substation rock was replaced inside the Connell Substation.
- The tree trimmers have completed the work outlined for 2022 and noted that the service cost came in under budget.
- He is reviewing the District's current fleet to ensure the District's vehicle needs are met.
- The District continues to operate safely and shared the "without loss time" stats for the Administrative Office and Operations employees.

OUTSIDE GENERAL COUNSEL REPORT:

Mr. Iller reported that:

- He continues to work with staff on the Darigold agreement.

SUPERVISOR OF EXECUTIVE ADMINISTRATION REPORT:

Ms. Viera reported that:

- Pro-hydro messages are being displayed on the District's reader board and she shared the messages.
- The District will participate in the City of Pasco's Grand Old' 4th of July parade. She noted there will be a bucket truck along with the District's vintage truck.
- A radio ad campaign to promote the drive-thru extended hours and payment kiosks is ongoing and will continue through the month of July. She noted that the radio spots are running on three Spanish radio stations and a newsprint article in La Voz newspaper is being printed each month.

- The Murray-Inslee Lower Snake River Dams Benefit Replacement Report and information on how to contact legislators if they choose to, was provided to employees.
- As a reminder, there will be two Commission meetings on July 26. A special meeting at 10 a.m. for the purpose of having a presentation and discussion on the District's purchasing process, bid specifications and a general inventory overview, and a regular meeting at 1 p.m.

Commissioner Gordon expressed his appreciation for the employee newsletter that is being shared with the Commission. He noted that staff does a good job. Commissioner Wright agreed.

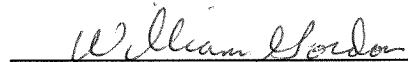
CLOSING OF MEETING

With no further business to come before the Commission, Commissioner Wright adjourned the regular meeting at 2:39 p.m. The next meeting will be a special meeting on July 26, 2022, for the purpose of hearing a presentation and discussion on the District's purchasing process, bid specifications and a general inventory overview, at 10 a.m. The next regular meeting will be on July 26, 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